MONTANA LEGISLATIVE HISTORY

Chapter 308 1995

Bill H _____ S 156 Original bill & history ✓ C

H. Committee on Appropriations			S. Committee on Education & Cul		
Hearing Date(s)	2-28	✓ C	Hearing Date(s)	1-25	✓ C
	3-9	✓ C		1-30	✓ C
		C			C
		C			C
Date Out		C			

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

SB 154 INTRODUCED BY FOSTER, ET AL.

REQUIRE APPROVAL OF A PUBLIC LIBRARY FEDERATION'S GRANT PROPOSAL BY THE MONTANA STATE LIBRARY COMMISSION

1/16	INTRODUCED		
1/16	FIRST READING		
1/16	REFERRED TO STATE ADMINISTRATION		
2/01	HEARING		
2/07	TABLED IN COMMITTEE		
2/23	MISSED TRANSMITTAL DEADLINE FOR 45TH DAY DIED IN COMMITTEE		

SB 155 INTRODUCED BY SWYSGOOD, ET AL.

EXEMPT A MOTOR CARRIER VEHICLE LESSOR WHO IS AN INDEPENDENT CONTRACTOR FROM THE REQUIREMENTS OF UNEMPLOYMENT INSURANCE AND WORKERS' COMPENSATION LAWS

1/16	FISCAL NOTE REQUESTED		
1/16	INTRODUCED		
1/16	FIRST READING		
1/16	REFERRED TO LABOR & EMPLOYMENT RELATIONS		
1/20	FISCAL NOTE RECEIVED		
1/20	FISCAL NOTE PRINTED		
1/31	HEARING		
2/01	TABLED IN COMMITTEE		
2/23	MISSED TRANSMITTAL DEADLINE FOR 45TH DAY DIED IN COMMITTEE		

SB 156 INTRODUCED BY WATERMAN, ET AL.

REVISE CERTAIN STATUTES RELATING TO THE UNIVERSITY SYSTEM

BY REQUEST OF BOARD OF REGENTS

1/16	FISCAL NOTE REQUESTED		
1/16	INTRODUCED		
1/16	FIRST READING		
1/16	REFERRED TO EDUCATION & CULTURAL RESOURCES		
1/19	FISCAL NOTE RECEIVED		
1/20	FISCAL NOTE PRINTED		
1/25	HEARING		
1/31	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/02	2ND READING PASSED	34	12
2/03	3RD READING PASSED	40	10
	TRANSMITTED TO HOUSE		
2/06	FIRST READING		
2/06	REFERRED TO APPROPRIATIONS		
2/28	HEARING		
3/13	COMMITTEE REPORT—BILL CONCURRED		
3/24	2ND READING CONCURRED	74	26
3/25	3RD READING CONCURRED	75	24
	RETURNED TO SENATE		
3/28	SIGNED BY PRESIDENT		
3/28	SIGNED BY SPEAKER		
3/28	TRANSMITTED TO GOVERNOR		
3/31	SIGNED BY GOVERNOR CHAPTER NUMBER 308 EFFECTIVE DATE: 12/31/95—SECTION 35(2) EFFECTIVE DATE: 01/01/96—SECTION 34 EFFECTIVE DATE: 07/01/95—SECTIONS 1-33, 35(1) & 36-38		

SENATE BILL NO. 156

INTRODUCED BY Walter Tom Nelson B. Johnson

BY REQUEST OF THE BOARD OF REGENTS

A BILL FOR AN ACT ENTITLED: "AN ACT RESTRUCTURING THE UNIVERSITY SYSTEM BY INCORPORATING THE VOCATIONAL-TECHNICAL CENTERS INTO THE SYSTEM; REMOVING THE VOCATIONAL-TECHNICAL CENTER REPRESENTATIVE FROM THE GUARANTEED STUDENT LOAN ADVISORY COUNCIL; DELETING REFERENCES TO VOCATIONAL-EDUCATIONAL CENTERS; REMOVING VOCATIONAL-TECHNICAL CENTER STUDENTS FROM WORKERS' COMPENSATION COVERAGE; REQUIRING FIVE COUNTIES TO LEVY 1 1/2 MILLS TO SUPPORT VOCATIONAL-TECHNICAL EDUCATION; AMENDING SECTIONS 2-15-1520, 2-18-401, 17-1-102, 17-2-102, 17-2-107, 17-2-110, 17-7-102, 17-7-304, 19-3-403, 19-20-302, 20-1-101, 20-5-402, 20-7-701, 20-9-212, 20-25-201, 20-25-211, 20-25-301, 20-25-303, 20-32-101, 20-32-102, 20-32-103, 23-1-313, 37-8-102, 37-31-304, 39-29-101, 39-30-103, 39-71-117, 39-71-118, 39-71-744, 50-40-204, AND 50-74-305, MCA; REPEALING SECTIONS 20-16-101, 20-16-102, 20-16-103, 20-16-104, 20-16-105, 20-16-106, 20-16-107, 20-16-108, 20-16-109, 20-16-201, 20-16-202, 20-16-203, 20-16-204, 20-16-205, 20-16-206, 20-16-207, 20-25-251, 20-25-401, 20-25-431, 20-25-432, 20-25-433, 20-25-434, AND 60-2-216, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY PROVISION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-15-1520, MCA, is amended to read:

"2-15-1520. Guaranteed student loan advisory council -- terms~~,~~ -- compensation. (1) There is a student loan advisory council appointed by the board of regents.

(2) The council consists of seven members. Each member ~~shall~~ must be appointed for a term of 3 years.

(3) Appointments to the council must conform to the following requirements:

(a) One member must be a representative of a private eligible educational institution, as defined in 20-26-1101.

(b) Two members must be representatives of a public eligible educational institution, as defined

in 20-26-1101. ~~One must be a representative of higher education, and one must be a representative for the vocational technical centers.~~

(c) Two members must be representatives of approved lenders.

(d) One member must be a full-time student registered at an eligible educational institution, as defined in 20-26-1101.

(e) One member must be a representative of the office of the commissioner of higher education.

(4) A ~~chairman~~ presiding officer must be selected by the council from its membership at the first meeting of each fiscal year.

(5) Each member of the council is entitled to compensation and reimbursement for travel expenses as provided in 2-15-122(5)."

Section 2. Section 2-18-401, MCA, is amended to read:

"2-18-401. Central payroll system -- department to provide for inclusion of agencies. The department of administration shall install and operate a uniform state central payroll system for all state agencies, including units of the Montana university system ~~and the vocational technical centers~~. The department may provide for the orderly inclusion of state agencies into the system and may make exceptions from the operation of the system for periods that it determines necessary."

Section 3. Section 17-1-102, MCA, is amended to read:

"17-1-102. Uniform accounting system and expenditure control. (1) The department shall establish a system of financial control so that the functioning of the various agencies of the state may be improved, duplications of work by different state agencies and employees may be eliminated, public service may be improved, and the cost of government may be reduced.

(2) The department shall prescribe and install uniform accounting and reporting for all state agencies and institutions, showing the receipt, use, and disposition of all public money and property in accordance with generally accepted accounting principles, and shall develop plans for improvements and economies in the organization and operation ~~thereof~~ of state agencies and institutions, which ~~shall~~ must be submitted to the respective heads of agencies and institutions. Copies of all ~~such~~ plans ~~shall~~ must be delivered to the governor, and additional copies ~~shall~~ must be retained in the office of the department for inspection by the members of the legislature.

(3) The uniform accounting and reporting system must contain three levels of expenditure. The first level must include general categories, such as personal services, operating expenses, equipment, capital outlay, local assistance, grants, benefits and claims, transfers, and debt service. The second level of expenditure must include specific categories of expenditures within each first-level category. The third level of expenditure must include specific items of expenditure within each category of the second level.

(4) The department shall examine all financial affairs of ~~every~~ each state agency and institution for the purpose of developing plans for improvements and economies in the organization and operation ~~thereof~~ of the agencies and institutions and for the purpose of enabling the department to properly perform any of the duties imposed upon the department by this part.

(5) All state agencies, including units of the university system~~,~~ but excluding community colleges~~, and the vocational-technical centers~~, shall input all necessary transactions to the accounting system prescribed in subsection (2) before the accounts are closed at the end of the fiscal year in order to present the receipt, use, and disposition of all money and property for which the agency is accountable in accordance with generally accepted accounting principles, except that for budgetary control purposes, encumbrances ~~which~~ that are required by generally accepted accounting principles to be reported as a reservation of fund balance ~~shall~~ must be recorded as expenditures and liabilities on the accounting records."

Section 4. Section 17-2-102, MCA, is amended to read:

"**17-2-102. Fund structure.** (1) There are in the state treasury only the following fund categories and types:

(a) the governmental fund category, which includes:

(i) the general fund, which accounts for all financial resources except those required to be accounted for in another fund;

(ii) the special revenue fund type, which accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The financial activities of the special revenue fund type are subdivided, for operational purposes, into the following funds to serve the purpose indicated:

(A) The state special revenue fund consists of money from state and other nonfederal sources deposited in the state treasury that is earmarked for the purposes of defraying particular costs of an

agency, program, or function of state government and money from other nonstate or nonfederal sources that is restricted by law or by the terms of an agreement, such as a contract, trust agreement, or donation.

(B) The federal special revenue fund consists of money deposited in the treasury from federal sources, including trust income, that is used for the operation of state government.

(iii) the capital projects fund type, which accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds; and

(iv) the debt service fund type, which accounts for the accumulation of resources for and the payment of general long-term debt principal and interest;

(b) the proprietary fund category, which includes:

(i) the enterprise fund type, which accounts for operations:

(A) that are financed and operated in a manner similar to private business enterprises whenever the intent of the legislature is that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or

(B) whenever the legislature has decided that periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes; and

(ii) the internal service fund type, which accounts for the financing of goods or services provided by one department or agency to other departments or agencies of state government or to other governmental entities on a cost-reimbursed basis;

(c) the fiduciary fund category, which includes trust and agency fund types used to account for assets held by state government in a trustee capacity or as an agent for individuals, private organizations, other governmental entities, or other funds. These include the:

(i) expendable trust fund type;

(ii) nonexpendable trust fund type;

(iii) pension trust fund type; and

(iv) agency fund type.

(d) the higher education funds, which include:

(i) the current fund, which accounts for money deposited in the state treasury that is used to pay

current operating costs relating to instruction, research, public service, and allied support operations and programs conducted within the Montana university system ~~and vocational-technical centers~~. The financial activities of the current fund are subdivided, for operational purposes, into the four following subfunds to serve the purpose indicated:

(A) The unrestricted subfund segregates that portion of the current fund's financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the legislature.

(B) The restricted subfund segregates that portion of the current fund's financial resources that can be expended for general operations but only for purposes imposed by sources external to the board of regents and the legislature.

(C) The designated subfund segregates that portion of the current fund's financial resources that is associated with general operations but is separately classified in order to accumulate costs that are to be recharged as allocated to other funds or subfunds; identifies financial activities related to special organized activities of educational departments ~~wherein~~ in which the activity is fully supported by supplemental assessments; and identifies special supply and facility fees that are approved for collections beyond normal course fees and their disposition.

(D) The auxiliary subfund segregates that portion of the current fund's financial resources that is devoted to providing essential on-campus services primarily to students, faculty, or staff wherein a fee, which is directly related to but does not necessarily equal the cost of the service provided, is charged to the consumer.

(ii) the student loan fund, which accounts for money deposited in the state treasury that may be loaned to students, faculty, or staff for purposes related to education, organized research, or public services by the Montana university system ~~and vocational-technical centers~~;

(iii) the endowment fund, which accounts for money deposited in the state treasury by the Montana university system ~~and vocational-technical centers~~ wherein the principal portion of the amount received is nonexpendable but is available for investment, thus producing consumable income. Expendable earnings on endowment funds are to be transferred to appropriate operating funds pursuant to prevailing administrative requirements.

(iv) the annuity and life income fund, which accounts for money deposited in the state treasury by the Montana university system ~~and vocational-technical centers~~ under an agreement whereby the money

is made available on condition that the receiving unit of the Montana university system ~~or vocational-technical center~~ binds itself to pay stipulated amounts periodically to the donor or others designated by the donor over a specified period of time;

(v) the plant fund, which accounts for those financial resources allocated to or received by the Montana university system ~~and vocational-technical centers~~ for capital outlay purposes or to retire long-term debts associated with construction or acquisition of fixed assets and the net accumulative results of these activities; and

(vi) the agency fund, which accounts for money deposited in the state treasury wherein the Montana university system ~~or a vocational-technical center~~ acts in the capacity of a custodian or fiscal agent for individual students, faculty, staff, and qualified organizations.

(2) In addition to the funds provided for in subsection (1), there are in the state treasury the following account groups:

(a) the fixed assets account group, which is a self-balancing group of accounts set up to establish accounting control and accountability for the state's general fixed assets, except those accounted for in proprietary funds, trust funds, and the higher education funds designated in subsections (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v); and

(b) the long-term debt account group, which is a self-balancing group of accounts set up to establish accounting control and accountability for the state's unmatured general long-term liabilities, except those accounted for in proprietary funds, trust funds, and the higher education funds designated in subsections (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v)."

Section 5. Section 17-2-107, MCA, is amended to read:

"**17-2-107. Accurate accounting records and interentity loans.** (1) The department of administration shall record receipts and disbursements for treasury funds and for accounting entities within treasury funds and shall maintain records in such a manner as to reflect the total cash and invested balance of each fund and each accounting entity. The department of administration shall adopt the necessary procedures to ~~insure~~ ensure that interdepartmental or intradepartmental transfers of money or loans do not result in inflation of figures reflecting total governmental costs and ~~revenues~~ revenue.

(2) (a) When the expenditure of an appropriation from a fund designated in 17-2-102(1)(a) through (1)(c) is necessary and the cash balance in the accounting entity from which the appropriation was made

is insufficient, the department of administration may authorize a temporary loan, bearing no interest, of unrestricted money from other accounting entities if there is reasonable evidence that the income will be sufficient to repay the loan within 1 calendar year and if the loan is recorded in the state accounting records. An accounting entity receiving a loan or an accounting entity from which a loan is made may not be so impaired that all proper demands on the accounting entity cannot be met even if the loan is extended.

(b) (i) When an expenditure from a fund or subfund designated in 17-2-102(1)(d)(i)(A) through (1)(d)(vi) is necessary and the cash balance in the fund or subfund from which the expenditure is to be made is insufficient, the commissioner of higher education may authorize a temporary loan, bearing interest as provided in subsection (4), of money from the agency's other funds or subfunds if there is reasonable evidence that the income will be sufficient to repay the loan within 1 calendar year and if the loan is recorded in the state accounting records. A fund or subfund receiving a loan or from which a loan is made may not be so impaired that all proper demands on the fund or subfund cannot be met even if the loan is extended.

(ii) One accounting entity within each fund or subfund designated in 17-2-102(1)(d)(i)(A) through (1)(d)(vi) must be established for the sole purpose of recording loans between the funds or subfunds. This accounting entity is the only accounting entity within each fund or subfund that may receive a loan or from which a loan may be made.

(c) A loan made under subsection (2)(a) or (2)(b) must be repaid within 1 calendar year of the date on which the loan is approved unless it is extended under subsection (3) or by specific legislative authorization.

(3) Under unusual circumstances, the director of the department of administration or the board of regents may grant one extension for up to 1 year for a loan made under subsection (2)(a) or (2)(b). The director or board shall prepare a written justification and proposed repayment plan for each loan extension authorized and shall furnish a copy of the written justification and proposed repayment plan to the house appropriations and senate finance and claims committees at the next legislative session.

(4) Any loan from the current unrestricted subfund to funds designated in 17-2-102(1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi) must bear interest at a rate equivalent to the previous fiscal year's average rate of return on the board of investments' short-term investment pool. Except for investment earnings on restricted donations, all designated and restricted subfund investment earnings, other than investment earnings on student activity fees used to support student governments at units of the university system,

are credited to the state general fund.

(5) If for ~~two~~ 2 consecutive fiscal yearends a loan or an extension of a loan has been authorized to the same accounting entity as provided in subsection (2) or (3), the department of administration or the commissioner of higher education shall submit to the legislative finance committee by September 1 of the following fiscal year a written report containing an explanation as to why the second loan or extension was made, an analysis of the solvency of the accounting entity or accounting entities within the university fund or subfund, and a plan for repaying the loans.

(6) If for ~~two~~ 2 consecutive fiscal yearends an accounting entity in a fund or subfund designated in 17-2-102(1)(d)(i) through (1)(d)(vi) has a negative cash balance, the commissioner of higher education shall submit to the legislative finance committee by September 1 of the following fiscal year a written report containing an explanation as to why the accounting entity has a negative cash balance, an analysis of the solvency of the accounting entity, and a plan to address any problems concerning the accounting entity's negative cash balance or solvency.

(7) (a) An accounting entity in a fund designated in 17-2-102(1)(a) through (1)(c) may not have a negative cash balance at fiscal yearend. The department of administration may, however, allow an accounting entity to carry a negative balance at any point during the fiscal year if the negative cash balance does not exist for more than 7 working days.

(b) (i) Except as provided in subsection (7)(b)(ii), a unit of the university system ~~or vocational-technical center~~ shall maintain a positive cash balance in the funds and subfunds designated in 17-2-102(1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi).

(ii) If a fund or subfund inadvertently has a negative cash balance, the department of administration may allow the fund or subfund to carry the negative cash balance for no more than 7 working days. If the negative cash balance exists for more than 7 working days, a transaction may not be processed through the statewide accounting system for that fund or subfund.

(8) Notwithstanding the provisions of subsections (2) through (4), the department of administration may authorize loans to accounting entities in the federal and state special revenue funds with long-term repayment whenever necessary ~~due to~~ because of the timing of the receipt of agreed upon reimbursements from federal, private, or other governmental entity sources for disbursements made. The department of administration may approve the loans if the requesting agency can demonstrate that the total loan balance does not exceed total receivables from federal, private, or other governmental entity sources and

receivables have been billed on a timely basis. The loan must be repaid under ~~such~~ terms and conditions as may be determined by the department of administration or by specific legislative authorization."

Section 6. Section 17-2-110, MCA, is amended to read:

"**17-2-110. Fiscal year and financial reports.** (1) The fiscal year for state purposes commences on July 1 of each year and ends on June 30 of each year.

(2) At the close of each fiscal year, the fiscal records of each state office, department, bureau, commission, institution, university unit, ~~vocational-technical center,~~ and agency (~~hereinafter~~ collectively referred to as "state agency") ~~shall~~ must be closed as of the end of the fiscal year. Each state agency shall prepare ~~such~~ the financial statements and reconciliations for the fiscal year as the department of administration may prescribe. These financial reports are to be completed and distributed not more than 31 days following the close of each fiscal year. The department of administration may extend this time limit if a state agency can show necessity ~~therefor~~ for the extension.

(3) The reports are to be distributed to the department of administration and the legislative auditor and any other state agency that the department of administration may prescribe. It is the intent of this provision that these reports accurately and comprehensively present the financial activities of the reporting state agency in accordance with generally accepted accounting principles so that the reports can be effectively ~~utilized~~ used by the executive and legislative branches of state government.

(4) Upon consolidation of the reports, the annual financial report by the department of administration ~~will~~ must be available for other individuals and organizations interested in the financial affairs of the state of Montana."

Section 7. Section 17-7-102, MCA, is amended to read:

"**17-7-102. Definitions.** As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government, except for purposes of capital projects administered by the department of administration, for which institutions are treated as one department and university units as one system.

(3) "Approved long-range building program budget amendment" means approval by the budget director of a request submitted through the architecture and engineering division of the department of administration to transfer excess funds appropriated to a capital project within an agency to increase the appropriation of another capital project within that agency or to obtain financing to expand a project with funds that were not available for consideration by the legislature.

(4) "Approving authority" means:

(a) the governor or the governor's designated representative for executive branch agencies;

(b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies; or

(f) the board of regents of higher education or its designated representative for the university system.

(5) "Base budget" means that level of funding authorized by the previous legislature.

(6) "Budget amendment" means a legislative appropriation to increase spending authority for the special revenue fund, proprietary funds, or unrestricted subfund, contingent on total compliance with all budget amendment procedures.

(7) "Present law base" means that additional level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

(a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;

(b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

(c) inflationary or deflationary adjustments; and

(d) elimination of nonrecurring appropriations.

(8) "Effectiveness measure" means a criterion for measuring the degree to which the objective sought is attained.

(9) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and

unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

(10) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

(11) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

(12) "Priority listing" means a ranking of proposed expenditures in order of importance.

(13) "Program" means a combination of resources and activities designed to achieve an objective or objectives.

(14) "Program size" means the magnitude of a program, such as the size of clientele served or the volume of service in relation to the population or area.

(15) "Program size indicator" means a measure to indicate the magnitude of a program.

(16) "Requesting agency" means the agency of state government that has requested a specific budget amendment.

(17) "University system unit" means the board of regents of higher education~~,~~; office of the commissioner of higher education~~,~~; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; ~~Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon,~~ the agricultural experiment station, with central offices at Bozeman~~,~~; the forest and conservation experiment station, with central offices at Missoula~~,~~; the cooperative extension service, with central offices at Bozeman~~,~~; the bureau of mines and geology, with central offices at Butte~~,~~; the fire services training school at Great Falls~~,~~; ~~the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula, or~~ and the community colleges at Miles City, Glendive, and Kalispell."

Section 8. Section 17-7-304, MCA, is amended to read:

"**17-7-304. (Temporary) Disposal of unexpended appropriations.** (1) All money appropriated for any specific purpose except that appropriated for the university system units listed in subsection (2) and except as provided in subsection (4) must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university campuses at Bozeman, Billings, Havre, and Great Falls ~~Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college of the university of Montana at Dillon~~, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, and the bureau of mines and geology with central offices in Butte~~,~~ ~~and the vocational-technical centers at Billings, Butte, Great Falls, Helena, and Missoula~~ must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(4) For the 2 years following the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment and remaining unexpended and unencumbered at the end of the year may be spent for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be determined by the office of budget and program planning.

(Terminates June 30, 1996--sec. 23, Ch. 787, L. 1991; sec. 5, Ch. 5, Sp. L. July 1992.)

17-7-304. (Effective July 1, 1996) Disposal of unexpended appropriations. (1) Except as provided in subsection (2), all money appropriated for any specific purpose must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made.

(2) For the 2 years following the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment and remaining unexpended and unencumbered at the end of the year may be spent for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be determined by the office of budget and program planning. (Terminates July 1, 1997--sec. 13, Ch. 23, Sp. L. November 1993.)

17-7-304. (Effective July 1, 1997) Disposal of unexpended appropriations. All money appropriated for any specific purpose must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made."

Section 9. Section 19-3-403, MCA, is amended to read:

"**19-3-403. Exclusions from membership.** The following persons may not become members of the retirement system:

(1) inmates of state institutions;

(2) persons in state institutions principally for the purpose of training~~,~~ but who receive compensation;

(3) independent contractors, unless there is a written contract that specifies the creation of an employer-employee relationship for purposes of retirement coverage under the retirement system;

(4) persons who are members of any other retirement or pension system supported wholly or in part by funds of the United States government, any state government, or political subdivision of the state and who are receiving credit in the other system for service. It is the purpose of this subsection to prevent a person from receiving credit for the same service in two retirement systems supported wholly or in part by public funds, except when the service qualifies, is applied for, and is purchased pursuant to 19-3-503.

A member of the retirement system who, because of employment by the state, is required to become a member of any other system described in this subsection is considered, solely for the purposes of making regular contributions, as permanently separated from service. Exclusion under this subsection is subject to the following exceptions:

(a) When an employer has entered into a collective bargaining agreement that includes provisions for payments or contributions by the employer in lieu of wages to a retirement or pension plan qualified by the internal revenue service for its employees, the employees remain eligible, if otherwise qualified, for membership in the retirement system.

(b) For the purpose of this subsection (4), persons receiving pensions, retirement allowances, or other payments from any source on account of employment other than as an employee are not considered, because of receipt, members of any other retirement or pension system.

(5) court commissioners, elected officials, or appointive members of any board or commission who serve the state or any contracting employer intermittently and who are paid on a per diem basis;

(6) full-time students employed at and attending the same public elementary school, high school, ~~vocational-technical center, or~~ community college, or ~~any~~ unit of the state university system, except that a person excluded from membership as a student of a public community college or a unit of the state university system who later becomes a member by otherwise becoming an employee may affirmatively exercise the option of qualifying the service excluded by this subsection by applying to the board in writing after becoming a member and become eligible to receive credited service for the excluded service under the provisions of 19-3-505."

Section 10. Section 19-20-302, MCA, is amended to read:

"**19-20-302. Active membership.** (1) Unless otherwise provided by this chapter, the following persons must be active members of the retirement system, with the exception that those persons who became eligible for membership on September 1, 1937, or on September 1, 1939, and who elected not to become members under the provisions of the law at that time are not required to be members:

(a) any person who is a teacher, principal, or district superintendent as defined in 20-1-101;

(b) any person who is an administrative officer or a member of the instructional or scientific staff of:

~~(i) a vocational-technical center; or~~

~~(iii)~~ a unit of the Montana university system and who has not elected or is not required to participate in the optional retirement program under Title 19, chapter 21;

(c) any person employed as a speech therapist, school nurse, or school psychologist or in an instructional services capacity by the office of the superintendent of public instruction, the office of a county superintendent, a special education cooperative, a public institution of the state of Montana, the Montana state school for the deaf and blind, or a school district;

(d) any person who is an administrative officer or a member of the instructional staff of the board of public education;

(e) any person who has elected not to become a member of the retirement system and who is reentering service in a capacity prescribed by subsection (1)(a), (1)(b), (1)(c), or (1)(d) ~~of this subsection (1)~~;

(f) any person who has elected not to become a member of the retirement system, who has been continuously employed in a capacity prescribed by subsection (1)(a), (1)(b), (1)(c), or (1)(d) ~~of this subsection (1)~~ since the time of the election, and who may elect to become a member of the retirement system.

(2) In order to be eligible for active membership, any person described in subsection (1) must:

(a) be employed in the capacity prescribed for the person's eligibility for at least 30 days in any fiscal year; and

(b) have the compensation for the person's creditable service totally paid by an employer.

(3) (a) A substitute teacher:

(i) may elect to become an active member of the retirement system on the first day of employment in any fiscal year; or

(ii) ~~shall~~ is required to become an active member of the retirement system on the 31st day of employment in any fiscal year if the substitute teacher has not elected membership under subsection (3)(a)(i).

(b) The employer shall give written notification to a substitute teacher on the first day of employment in any fiscal year of the option to elect membership under subsection (3)(a)(i).

(4) A substitute teacher who did not elect membership under subsection (3)(a)(i) and subsequently becomes a member must be awarded creditable service for substitute teaching service if the substitute teacher contributes:

(a) an amount equal to the combined employee and employer contributions that would have been made if the substitute teacher had elected membership; plus

(b) interest at the rate that the contributions would have earned if they had been on deposit with the retirement system.

(5) At any time that a person's eligibility to become a member of the retirement system is in doubt, the retirement board shall determine the person's eligibility for membership. All persons in similar circumstances ~~shall~~ must be treated alike."

Section 11. Section 20-1-101, MCA, is amended to read:

"**20-1-101. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Agricultural experiment station" means the agricultural experiment station established at Montana state university-Bozeman.

(2) "Average number belonging" or "ANB" ~~shall mean~~ means the average number of regularly enrolled, full-time pupils attending the public schools of a district.

(3) ~~The "board~~ "Board of public education" ~~is~~ means the board created by Article X, section 9, subsection (3), of the ~~1972~~ Montana constitution and 2-15-1507.

(4) "Board of regents" means the board of regents of higher education created by Article X, section 9, subsection (2), of the ~~1972~~ Montana constitution and 2-15-1505.

(5) "Commissioner" means the commissioner of higher education created by Article X, section 9, subsection (2), of the ~~1972~~ Montana constitution and 2-15-1506.

(6) "County superintendent" means the county government official who is the school officer of the county.

(7) "District superintendent" means ~~any~~ a person who holds a valid class 3 Montana teacher certificate with a superintendent's endorsement that has been issued by the superintendent of public instruction under the provisions of this title and the policies adopted by the board of public education and who has been employed by a district as a district superintendent.

(8) "K-12 vocational education" means vocational education in public school kindergarten through grade 12.

(9) "Principal" means ~~any~~ a person who holds a valid class 3 Montana teacher certificate with an

applicable principal's endorsement that has been issued by the superintendent of public instruction under the provisions of this title and the policies adopted by the board of public education and who has been employed by a district as a principal. For the purposes of this title, any reference to a teacher ~~shall~~ must be construed as including a principal~~, as herein defined~~.

(10) "Pupil" means ~~any~~ a child who is 6 years of age or older on or before September 10 of the year in which the child is to enroll or has been enrolled by special permission of the board of trustees under 20-5-101(3) but has not yet reached ~~his 19th birthday~~ 19 years of age and who is enrolled in a school established and maintained under the laws of the state ~~of Montana~~ at public expense. For purposes of calculating the average number belonging ~~(ANB)~~ pursuant to 20-9-311, the definition of pupil includes a person who has not yet reached ~~his 19th birthday~~ 19 years of age by September 10 of the year and is enrolled under 20-5-101(3) in a school established and maintained under the laws of the state at public expense.

(11) "Pupil instruction" means the conduct of organized instruction of pupils enrolled in public schools while under the supervision of a teacher.

(12) "Regents" means the board of regents of higher education.

(13) "School food services" means a service of providing food for the pupils of a district on a nonprofit basis and ~~shall include~~ includes any food service financially assisted through funds or commodities provided by the United States government.

(14) ~~The "state~~ "State board of education" ~~is~~ means the board composed of the board of public education and the board of regents as specified in Article X, section 9, subsection (1), of the ~~1972~~ Montana constitution.

(15) "State university" means ~~the~~ Montana state ~~university, located at Bozeman~~ university-Bozeman.

(16) "Superintendent of public instruction" means that state government official designated as a member of the executive branch by the ~~constitution of~~ Montana constitution.

(17) "System" means the Montana university system.

(18) "Teacher" means ~~any~~ a person, except a district superintendent, who holds a valid Montana teacher certificate that has been issued by the superintendent of public instruction under the provisions of this title and the policies adopted by the board of public education and who is employed by a district as a member of its instructional, supervisory, or administrative staff. This definition of a teacher ~~shall also~~

~~include~~ includes a ~~any~~ person for whom an emergency authorization of employment ~~of such person~~ has been issued under the provisions of 20-4-111.

(19) "Textbook" means a book or manual used as a principal source of study material for a given class or group of students.

(20) "Textbook dealer" means ~~any~~ a party, company, corporation, or other organization selling, offering to sell, or offering for adoption textbooks to districts in the state ~~of Montana~~.

(21) "Trustees" means the governing board of a district.

(22) "University" means the university of ~~Montana, located at Missoula~~ Montana-Missoula.

(23) "Vocational education" means the instruction to prepare or improve the pupil for gainful employment that does not require a baccalaureate or higher degree. This definition of vocational education ~~shall include~~ includes guidance and prevocational, related, or technical instruction necessary to prepare the pupil for further vocational education or for entry into employment.

~~(24) "Vocational-technical center" means an institution used principally for the provision of vocational-technical education to persons who qualify as vocational-technical students. These centers are designated by the board of regents upon direction by the legislature. All other public or private institutions or schools are hereby prohibited from using this title.~~

~~(25)~~(24) "Vocational-technical education" means vocational-technical education of vocational-technical students that is conducted by ~~a vocational-technical center,~~ a unit of the Montana university system, or a community college, as designated by the board of regents."

Section 12. Section 20-5-402, MCA, is amended to read:

"**20-5-402. Definitions.** For the purposes of this part, the following definitions apply:

(1) "Department" means the department of health and environmental sciences provided for in Title 2, chapter 15, part 21.

(2) "Governing authority" means the board of trustees of a school district or the administrator of a private school, preschool, or postsecondary school.

(3) "Immunization" means induction of a state of resistance to a disease through administration of an immunizing agent.

(4) "Local health department" means a city, city-county, county, or district health department.

(5) "Local health officer" means a city, city-county, county, or district health officer.

specific, authorized purpose, including:

(a) the basic county tax in support of the elementary BASE aid;

(b) the basic special tax for high schools in support of the high school BASE aid;

(c) the county tax in support of the transportation schedules;

(d) the county tax in support of the elementary and high school district retirement obligations; and

(e) any other county tax for schools, including the community colleges, ~~which~~ that may be authorized by law and levied by the county commissioners.

(2) whenever requested, notify the county superintendent and the superintendent of public instruction of the amount of county school money on deposit in each of the funds enumerated in subsection (1) and the amount of any other school money subject to apportionment and apportion the county and other school money to the districts in accordance with the apportionment ordered by the county superintendent or the superintendent of public instruction;

(3) keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

(4) except as otherwise limited by law, pay all warrants properly drawn on the county or district school money and properly endorsed by their holders;

(5) receive all revenue collected by and for each district and deposit these receipts in the fund designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent school taxes must be credited to the same fund and district for which the original taxes were levied.

(6) send all revenue received for a joint district, part of which is situated in the county, to the county treasurer designated as the custodian of the revenue, no later than December 15 of each year and every 3 months after that date until the end of the school fiscal year;

(7) at the direction of the trustees of a district, assist the district in the issuance and sale of tax and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

(8) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there is insufficient money available in all funds of the district to make payment of the warrant. Redemption of registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

(9) invest the money of any district as directed by the trustees of the district within 3 working days of the direction;

(10) each month give to the trustees of each district an itemized report for each fund maintained by the district, showing the paid warrants, outstanding warrants, registered warrants, amounts and types

(6) "Postsecondary school" means ~~a vocational-technical center,~~ a community college, a unit of the Montana university system, or a private university or college.

(7) "Preschool" means a place or facility that provides, on a regular basis and as its primary purpose, educational instruction designed for children 5 years of age or younger and that:

(a) serves no child under 5 years of age for more than 3 hours a day; and

(b) serves no child 5 years of age for more than 6 hours a day.

(8) "School" means a place or institution for the teaching of individuals, the curriculum of which is ~~comprised~~ composed of the work of:

(a) any combination of kindergarten through grade 12;

(b) a postsecondary school; or

(c) a preschool."

Section 13. Section 20-7-701, MCA, is amended to read:

"**20-7-701. Definition of adult basic education and adult education.** ~~(1)~~ As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

~~(a)~~(1) ~~The term "adult~~ "Adult basic education" means instruction in basic skills, such as reading, writing, arithmetic, and other skills required to function in society, offered to persons 16 years of age or older who are not regularly enrolled, full-time pupils for the purposes of ANB computation. Adult basic education may include any subject normally offered in the basic curricula of an accredited elementary or secondary school in the state.

~~(b)~~(2) ~~The term "adult~~ "Adult education" means the instruction of persons 16 years of age or older who are not regularly enrolled, full-time pupils for the purposes of ANB computation.

~~(2) Neither definition may include the instruction in vocational-technical centers.~~"

Section 14. Section 20-9-212, MCA, is amended to read:

"**20-9-212. Duties of county treasurer.** The county treasurer of each county shall:

(1) receive and hold all school money subject to apportionment and keep a separate accounting of its apportionment to the several districts that are entitled to a portion of the money according to the apportionments ordered by the county superintendent or by the superintendent of public instruction. A separate accounting must be maintained for each county fund supported by a countywide levy for a

of revenue received, and the cash balance;

(11) remit promptly to the state treasurer receipts for the county tax for ~~a~~ vocational-technical ~~center~~ education when levied by the board of county commissioners under the provisions of ~~20-16-202~~ [section 32];

(12) invest the money received from the basic county tax, the basic special tax, the county levy in support of the elementary and high school district retirement obligations, and the county levy in support of the transportation schedules within 3 working days of receipt. The money must be invested until the working day before it is required to be distributed to school districts within the county or remitted to the state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and credited proportionately, in the funds established to account for the taxes received for the purposes specified in subsections (1)(a) through (1)(d).

(13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504, all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all interest earned and excluding any amount required for high school out-of-county tuition under the provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347. Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

Section 15. Section 20-25-201, MCA, is amended to read:

"**20-25-201. Units constituting university system.** The Montana university system is composed of the following units, each designated by its legal name:

(1) ~~University~~ The university of Montana, with campuses ~~located~~ at the following locations:

(a) Missoula;

(b) Butte;

(c) Dillon; and

(d) Helena.

(2) Montana state university, with campuses located at the following locations:

(a) Bozeman;

(b) Billings;

(c) Havre; and

(d) Great Falls.

~~(3) Montana college of mineral science and technology, located at Butte;~~

~~(4) Western Montana college of the university of Montana, located at Dillon;~~

~~(5) Eastern Montana college, located at Billings; and~~

~~(6) Northern Montana college, located at Havre.~~"

Section 16. Section 20-25-211, MCA, is amended to read:

"**20-25-211. Montana ~~college of mineral science and technology~~ tech of the university of Montana -- purpose -- fees for assays.** (1) ~~The~~ Montana ~~college of mineral science and technology~~ tech of the university of Montana has for its purpose instruction and education in chemistry, metallurgy, mineralogy, geology, mining, milling, engineering, mathematics, mechanics and drawing, and the laws of the United States and Montana relating to mining.

(2) A department designated as "the Montana state bureau of mines and geology", which ~~shall be~~ is under the direction of the regents, is established at ~~the college~~ Montana tech of the university of Montana.

(3) The ~~president~~ chancellor of Montana ~~college of mineral science and technology~~ tech of the university of Montana may charge and collect reasonable fees for any assays and analyses made by the college.

(4) The ~~president~~ chancellor shall keep an account of ~~such~~ the fees and pay them monthly to the treasurer for deposit to the college fund."

Section 17. Section 20-25-301, MCA, is amended to read:

"**20-25-301. Regents' powers and duties.** The board of regents of higher education shall serve as regents of the Montana university system, shall use and adopt this style in all its dealings with the university system, and ~~shall~~:

(1) must have general control and supervision of the units of the Montana university system, which is considered for all purposes one university;

(2) shall adopt rules~~, not inconsistent~~ for its own government that are consistent with the constitution and the laws of the state~~, for its own government which~~ and that are proper and necessary for the execution of the powers and duties conferred upon it by law;

(3) shall provide, subject to the laws of the state, rules for the government of the system;

(4) shall grant diplomas and degrees to the graduates of the system upon the recommendation of the faculties and have discretion to confer honorary degrees upon persons other than graduates upon the recommendation of the faculty of the institutions;

(5) shall keep a record of its proceedings;

(6) must have, when not otherwise provided by law, control of all books, records, buildings, grounds, and other property of the system;

(7) must receive from the board of land commissioners, from other boards~~,~~ or persons, or from the government of the United States all funds, incomes, and other property the system may be entitled to and use and appropriate the property for the specific purpose of the grant or donation;

(8) must have general control of all receipts and disbursements of the system;

(9) shall appoint a president or chancellor and faculty for each of the institutions of the system, appoint any other necessary officers, agents, and employees, and fix their compensation;

(10) shall confer upon the executive board of each of the units of the system authority that may be considered expedient relating to immediate control and management, other than authority relating to financial matters or the selection of the teachers, employees, and faculty;

(11) shall confer, at the regents' discretion, upon the president and faculty of each of the units of the system for the best interest of the unit authority relating to the immediate control and management, other than financial, and the selection of teachers and employees;

(12) shall prevent unnecessary duplication of courses at the units of the system;

(13) shall appoint a certified professional geologist or registered mining engineer as the director of the Montana state bureau of mines and geology, who is the state geologist, and appoint any other necessary assistants and employees and fix their compensation.

(14) shall supervise and control the agricultural experiment station, along with any executive or subordinate board or authority ~~which~~ that may be appointed by the governor with the advice and consent of the regents;

(15) shall adopt a seal bearing on its face the words "Montana university system", which must be affixed to all diplomas and all other papers, instruments, or documents ~~which~~ that may require it;

(16) shall ~~assure~~ ensure an adequate level of security for data and information technology resources, as defined in 2-15-102, within the state university system. In carrying out this responsibility, the board of regents shall, at a minimum, address the responsibilities prescribed in 2-15-114.

(17) shall offer courses in vocational-technical education of a type and in a manner considered necessary or practical by the regents."

Section 18. Section 20-25-303, MCA, is amended to read:

"**20-25-303. Local executive boards -- terms and compensation.** (1) There is a local executive board ~~for each unit of the~~ within each county in which a university system campus is located.

(2) (a) Each local executive board ~~shall consist~~ consists of three members appointed by the governor with the advice and consent of the regents.

(b) The president of ~~each~~ a unit ~~shall~~ or the chancellor of a campus may not be a member of the local executive board.

(c) Two of the members must reside in the county where the unit is located.

(d) The members shall hold office for 3 years beginning the third Monday in April of the year appointed. The term of office of one member shall expire each year.

(e) The members may be removed by the governor or the regents.

(f) The members shall qualify by filing their oath of office with the regents.

(3) All vacancies ~~shall~~ must be filled by appointment by the governor and referred for confirmation to the regents at their first meeting ~~thereafter for confirmation~~ after appointment.

(4) Each local executive board shall elect a ~~chairman~~ presiding officer and appoint a secretary.

(5) The compensation for the members ~~shall~~ must be fixed by the regents. It ~~shall~~ may not exceed $5 for each day spent in discharging their duties or $125 in any ~~one~~ year for each member. The members ~~shall~~ must be reimbursed from the amount appropriated by the legislature for the maintenance and support of the units for all expenses necessarily incurred in discharge of their duties."

Section 19. Section 20-32-101, MCA, is amended to read:

"**20-32-101. Purpose -- definition.** (1) The purpose of this part is to establish a Montana educational telecommunications network.

(2) For the purposes of this part, "network" means the Montana educational telecommunications network (METNET).

(3) The aims of the network are to provide:

(a) instructional and educational coursework and materials through telecommunications delivery

to students in kindergarten through 12th grade in the Montana public school system;

(b) instructional and educational coursework and materials through telecommunications delivery to students enrolled in units of the Montana university system~~, the vocational-technical centers,~~ and the community colleges;

(c) instructional and professional development or other appropriate inservice training for teachers in the schools of the state; and

(d) telecommunications capabilities to agencies, subdivisions of state government, and public libraries in order to improve their ability to perform their responsibilities and duties."

Section 20. Section 20-32-102, MCA, is amended to read:

"20-32-102. Agency cooperation -- responsibilities. (1) To meet the objectives of the network, the following entities shall cooperate with one another:

(a) the department of administration, with its responsibilities for telecommunications for agencies of state government;

(b) the superintendent of public instruction, with a supervisory role over the public system of elementary and high schools; and

(c) the commissioner of higher education, with responsibilities to the Montana university system~~, the vocational-technical centers,~~ and the community colleges.

(2) The responsibilities of the superintendent of public instruction to the network include but are not limited to:

(a) general supervision of delivery of educational materials through telecommunications to elementary and high school districts in the state;

(b) compilation, maintenance, and dissemination to participating school districts of information that identifies the educational programming available from within and from outside the state;

(c) training of teachers and other school personnel in the use of telecommunications technologies for instructional purposes;

(d) assistance to school districts in identifying and procuring the telecommunications technologies needed to interface with the network;

(e) identification of production capability for telecommunication of educational materials;

(f) assistance to participating school districts with group purchases of instructional and educational

materials;

(g) coordination with the commissioner of higher education and the units of the Montana university system to offer advanced placement courses, teacher inservice training, and other instruction through the network;

(h) payment of the superintendent's share of the network costs to the department of administration, as provided in 20-32-104;

(i) coordination with the department of administration to ensure compatibility of network components, to minimize duplication of efforts on behalf of the network, and to maximize use of the network by school districts; and

(j) determination of kinds of equipment, inservice, and district accounting necessary to implement the provisions of this part for school districts.

(3) The responsibilities of the department of administration to the network include but are not limited to:

(a) provision of technical support to the coordinating agencies referred to in subsection (1);

(b) development of standards of compatibility for the network;

(c) procurement and management of network equipment and facilities that have shared use by multiple users or agencies;

(d) assistance with procurement, installation, maintenance, and operation of end-terminal equipment and facilities of the network;

(e) minimizing any duplication of equipment and facilities within the network and in conjunction with the department of administration's other networking capabilities;

(f) coordination of use of the network by state agencies, subdivisions of the state, and public libraries in a manner that does not interfere with the delivery of the primary network function of providing educational services to school districts and state units of higher education;

(g) studying the use of the network by Native American tribal colleges and other nonpublic education institutions in the state, with the long-range goal of coordinating the use of the network with those entities; and

(h) maintenance of cost and usage records and a billing system for user agencies for services rendered that incur marginal costs for the network.

(4) The responsibilities of the commissioner of higher education to the network include but are not

limited to:

(a) coordination of the use of the network among the units of higher education and with the superintendent of public instruction and the department of administration;

(b) assistance to the units of the Montana university system to provide college credit courses through the network to students throughout the state;

(c) coordination with the superintendent of public instruction to develop advance placement courses for high school students in Montana, teacher inservice training, and other services and instruction through the network;

(d) assistance to the units of the Montana university system~~, the vocational-technical centers,~~ and the community colleges in defining their specific needs for interfacing with the network;

(e) assistance to participating units, centers, and colleges with group purchases of instructional and educational materials; and

(f) determination of the kinds of equipment, inservice, and accounting necessary to implement the provisions of this part for the university system~~,~~ and community colleges~~, and vocational-technical centers~~."

Section 21. Section 20-32-103, MCA, is amended to read:

"**20-32-103. Fee collection and disposition for operational costs.** As a condition of participation in the network, the Montana university system~~, vocational-technical centers,~~ and community colleges shall collect from appropriate discretionary funds in a manner approved by the board of regents an amount not to exceed $5 for each full-time equivalent student enrolled in the units~~, centers,~~ or colleges. The funds collected must be deposited with the commissioner of higher education by July 1 for the purposes of 20-32-102(4). The commissioner of higher education shall pay the department of administration the commissioner's share of the network costs."

Section 22. Section 23-1-313, MCA, is amended to read:

"**23-1-313. Term of enrollment -- compensation -- exemption from employee benefits.** (1) A corpsmember will be placed for a period not to exceed 12 months. The program operator shall refer the names of corpsmembers who successfully complete their participation in the corps to the job service for assistance in securing private sector employment or for enrollment in additional job training programs. The program operator may also, upon approval of the corpsmember, provide the name of a corpsmember who

successfully completes ~~his~~ participation in the corps to private sector employers requesting referrals.

(2) A corpsmember may not be scheduled to work for more than 40 hours per week. Job training and placement services must be provided to corpsmembers during regular work hours. Corpsmembers must be compensated as provided in subsection (3) for participation in job training and placement service programs.

(3) A corpsmember must be compensated at a rate set by the department that is not less than the federal minimum wage.

(4) A corpsmember is not entitled to any employee benefits provided to permanent department or agency employees except for holiday pay and workers' compensation benefits that are provided through the funds appropriated to carry out this part. Service as a corpsmember does not qualify an individual for unemployment compensation benefits.

(5) If funds are available, a person who is employed as a corpsmember for the full period of enrollment and who receives a satisfactory employment evaluation may be awarded an incentive voucher valid for up to 3 years at any Montana institution of higher education ~~or vocational-technical center~~."

Section 23. Section 37-8-102, MCA, is amended to read:

"**37-8-102. Definitions.** Unless the context requires otherwise, in this chapter, the following definitions apply:

(1) "Advanced practice registered nurse" means a registered professional nurse who has completed educational requirements related to the nurse's specific practice role, in addition to basic nursing education, as specified by the board pursuant to 37-8-202(5)(a).

(2) "Board" means the board of nursing provided for in 2-15-1844.

(3) "Department" means the department of commerce provided for in Title 2, chapter 15, part 18.

(4) "Nursing education program" means any board-approved school that prepares graduates for initial licensure under this chapter. Nursing education programs for:

(a) professional nursing may be a department, school, division, or other administrative unit in a senior or junior college or university;

(b) practical nursing may be a department, school, division, or other administrative unit in a vocational-technical ~~center~~ institution or junior college.

(5) "Practice of nursing" embraces two classes of nursing service and activity, as follows:

(a) "Practice of practical nursing" means the performance for compensation of services requiring basic knowledge of the biological, physical, behavioral, psychological, and sociological sciences and of nursing procedures. Practical nursing practice ~~utilizes~~ uses standardized procedures in the observation and care of the ill, injured, and infirm; in the maintenance of health; in action to safeguard life and health; and in the administration of medications and treatments prescribed by a physician, advanced practice registered nurse, dentist, osteopath, or podiatrist authorized by state law to prescribe medications and treatments. These services are performed under the supervision of a registered nurse or a physician, dentist, osteopath, or podiatrist authorized by state law to prescribe medications and treatments.

(b) "Practice of professional nursing" means the performance for compensation of services requiring substantial specialized knowledge of the biological, physical, behavioral, psychological, and sociological sciences and of nursing theory as a basis for the nursing process. The nursing process is the assessment, nursing analysis, planning, nursing intervention, and evaluation in the promotion and maintenance of health; the prevention, casefinding, and management of illness, injury, or infirmity; and the restoration of optimum function. The term also includes administration, teaching, counseling, supervision, delegation, and evaluation of nursing practice and the administration of medications and treatments prescribed by physicians, advanced practice registered nurses, dentists, osteopaths, or podiatrists authorized by state law to prescribe medications and treatments. Each registered nurse is directly accountable and responsible to the consumer for the quality of nursing care rendered. As used in this subsection (5)(b):

(i) "nursing analysis" is the identification of those client problems for which nursing care is indicated and may include referral to medical or community resources;

(ii) "nursing intervention" is the implementation of a plan of nursing care necessary to accomplish defined goals."

Section 24. Section 37-31-304, MCA, is amended to read:

"37-31-304. Qualifications of applicants for license to practice. (1) Before a person may practice cosmetology, the person shall obtain a license to practice cosmetology from the department. Before a person may practice manicuring, the person shall obtain a license to practice manicuring from the department unless the person is licensed to practice cosmetology.

(2) (a) To be eligible to take the examination to practice cosmetology, the applicant may not be less than 18 years of age, must be of good moral character, and must possess a high school diploma or

the equivalent of a high school diploma recognized by the superintendent of public instruction. A person may apply to the board for an exception to the educational requirement of a high school diploma or the equivalent of a high school diploma. The board shall adopt by rule procedures for granting an exception. The applicant must have completed a course of study of at least 2,000 hours in a registered cosmetology school and must have received a diploma from the cosmetology school or must have completed the course of study in cosmetology prescribed by the board.

(b) A person qualified under subsection (2)(a) shall file with the department a written application to take the examination and shall deposit with the department the required examination fee and pass an examination as to fitness to practice cosmetology.

(3) (a) To be eligible to take the examination to practice manicuring, an applicant may not be less than 18 years of age; must be of good moral character; possess a high school diploma, the equivalent of a high school diploma recognized by the superintendent of public instruction, or a certificate of completion from a vocational-technical ~~center~~ program; and must have completed a course of study prescribed by the board in a registered school of cosmetology or a registered school of manicuring. A person may apply to the board for an exception to the educational requirement of a high school diploma, the equivalent of a high school diploma, or a vocational-technical ~~center~~ program certificate of completion. The board shall adopt by rule procedures for granting an exception.

(b) A person qualified under subsection (3)(a) shall file with the department a written application to take the examination and deposit with the department the required examination fee."

Section 25. Section 39-29-101, MCA, is amended to read:

"**39-29-101. Definitions.** For the purposes of this chapter, the following definitions apply:

(1) "Active duty" means full-time duty with military pay and allowances in the armed forces, except for training, determining physical fitness, or service in the reserve or national guard.

(2) "Armed forces" means the United States:

(a) army, navy, air force, marine corps, and coast guard; and

(b) merchant marine for service recognized by the United States department of defense as active military service for the purpose of laws administered by the department of veterans affairs.

(3) "Disabled veteran" means a person:

(a) whether or not the person is a veteran as defined in this section, who was separated under

honorable conditions from active duty in the armed forces and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a law administered by the department of veterans affairs or a military department; or

(b) who has received a purple heart medal.

(4) "Eligible relative" means:

(a) the unmarried surviving spouse of a veteran or disabled veteran;

(b) the spouse of a disabled veteran who is unable to qualify for appointment to a position;

(c) the mother of a veteran who died under honorable conditions while serving in the armed forces if:

(i) the mother's spouse is totally and permanently disabled; or

(ii) the mother is the widow of the father of the veteran and has not remarried;

(d) the mother of a service-connected permanently and totally disabled veteran if:

(i) the mother's spouse is totally and permanently disabled; or

(ii) the mother is the widow of the father of the veteran and has not remarried.

(5) "Position" means a permanent, temporary, or seasonal position as defined in 2-18-101 for a state position or a similar permanent, temporary, or seasonal position with a public employer other than the state. The term does not include:

(a) a state or local elected office;

(b) appointment by an elected official to a body such as a board, commission, committee, or council;

(c) appointment by an elected official to a public office if the appointment is provided for by law;

(d) a department head appointment by the governor or an executive department head appointment by a mayor, city manager, county commissioner, or other chief administrative or executive officer of a local government; or

(e) engagement as an independent contractor or employment by an independent contractor.

(6) "Public employer" means:

(a) a department, office, board, bureau, commission, agency, or other instrumentality of the executive, legislative, or judicial branches of the government of this state;

(b) a unit of the Montana university system ~~or a vocational-technical center~~;

(c) a school district or community college; and

(d) a county, city, or town.

(7) "Scored procedure" means a written test, structured oral interview, performance test, or other selection procedure or a combination of these procedures that result in a numerical score to which percentage points may be added.

(8) "Under honorable conditions" means a discharge or separation from active duty characterized by the armed forces as under honorable conditions. The term includes honorable discharges and general discharges but does not include dishonorable discharges or other administrative discharges characterized as other than honorable.

(9) "Veteran" means a person who:

(a) was separated under honorable conditions from active duty in the armed forces after having served more than 180 consecutive days, other than for training; or

(b) as a member of a reserve component under an order of active duty pursuant to 10 U.S.C. 672(a), (d), or (g), 10 U.S.C. 673, or 10 U.S.C. 673b served on active duty during a period of war or in a campaign or expedition for which a campaign badge is authorized and was discharged or released from duty under honorable conditions."

Section 26. Section 39-30-103, MCA, is amended to read:

"**39-30-103. Definitions.** For the purposes of this chapter, the following definitions apply:

(1) "Eligible spouse" means the spouse of a handicapped person determined by the department of social and rehabilitation services to have a 100% disability who is unable to use ~~his~~ the employment preference because of ~~his~~ the person's disability.

(2) "Handicapped person" means an individual certified by the department of social and rehabilitation services to have a physical or mental impairment that substantially limits one or more major life activities, such as writing, seeing, hearing, speaking, or mobility, and that limits the individual's ability to obtain, retain, or advance in employment.

(3) (a) "Initial hiring" means a personnel action for which applications are solicited from outside the ranks of the current employees of:

(i) a department, as defined in 2-15-102, for a position within the executive branch;

(ii) a legislative agency, such as the consumer counsel, environmental quality council, office of the legislative auditor, legislative council, or office of the legislative fiscal analyst, for a position within the

legislative branch;

(iii) a judicial agency, such as the office of supreme court administrator, office of supreme court clerk, state law library, or similar office in a state district court for a position within the judicial branch;

(iv) a city or town for a municipal position, including a city or municipal court position; and

(v) a county for a county position, including a justice's court position.

(b) A personnel action limited to current employees of a specific public entity identified in subsections (3)(a)(i) through (3)(a)(v) ~~of this subsection (3)~~, current employees in a reduction-in-force pool who have been laid off from a specific public entity identified in subsections (3)(a)(i) through (3)(a)(v) ~~of this subsection (3)~~, or current participants in a federally authorized employment program is not an initial hiring.

(4) (a) "Mental impairment" means:

(i) suffering from a disability attributable to mental retardation, cerebral palsy, epilepsy, autism, or any other neurologically handicapping condition closely related to mental retardation and requiring treatment similar to that required by mentally retarded individuals; or

(ii) an organic or mental impairment that has substantial adverse effects on an individual's cognitive or volitional functions.

(b) The term mental impairment does not include alcoholism or drug addiction and does not include any mental impairment, disease, or defect that has been asserted by the individual claiming the preference as a defense to any criminal charge.

(5) "Position" means a permanent or seasonal position as defined in 2-18-101 for a state position or a similar permanent or seasonal position with a public employer other than the state. However, the term does not include:

(a) a temporary position as defined in 2-18-101 for a state position or similar temporary position with a public employer other than the state;

(b) a state or local elected official;

(c) employment as an elected official's immediate secretary, legal advisor, court reporter, or administrative, legislative, or other immediate or first-line aide;

(d) appointment by an elected official to a body such as a board, commission, committee, or council;

(e) appointment by an elected official to a public office if the appointment is provided for by law;

(f) a department head appointment by the governor or an executive department head appointment by a mayor, city manager, county commissioner, or other chief administrative or executive officer of a local government; or

(g) engagement as an independent contractor or employment by an independent contractor.

(6) (a) "Public employer" means:

(i) any department, office, board, bureau, commission, agency, or other instrumentality of the executive, judicial, or legislative branch of the government of the state of Montana; and

(ii) any county, city, or town.

(b) The term does not include a school district, a vocational-technical ~~center or~~ program, a community college, the board of regents of higher education, the Montana university system, a special purpose district, an authority, or any political subdivision of the state other than a county, city, or town.

(7) "Substantially equal qualifications" means the qualifications of two or more persons among whom the public employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons."

Section 27. Section 39-71-117, MCA, is amended to read:

"**39-71-117. Employer defined.** (1) "Employer" means:

(a) the state and each county, city and county, city school district, and irrigation district~~,~~; all other districts established by law~~,~~; ~~and~~ all public corporations and quasi-public corporations and public agencies therein; ~~and every~~ each person~~,~~; ~~every~~ each prime contractor~~,~~; ~~and every~~ each firm, voluntary association, and private corporation, including any public service corporation and including an independent contractor who has any person in service under any appointment or contract of hire, expressed or implied, oral or written~~,~~; and the legal representative of any deceased employer or the receiver or trustee ~~thereof~~ of the deceased employer;

(b) any association, corporation, or organization that seeks permission and meets the requirements set by the department by rule for a group of individual employers to operate as self-insured under plan No. 1 of this chapter; and

(c) any nonprofit association or corporation or other entity funded in whole or in part by federal, state, or local government funds that places community service participants, as ~~defined~~ described in 39-71-118~~(1)(f)~~(1)(e), with nonprofit organizations or associations or federal, state, or local government

entities.

(2) A temporary service contractor is the employer of a temporary worker for premium and loss experience purposes.

(3) An employer defined in subsection (1) who utilizes the services of a worker furnished by another person, association, contractor, firm, or corporation, other than a temporary service contractor, is presumed to be the employer for workers' compensation premium and loss experience purposes for work performed by the worker. The presumption may be rebutted by substantial credible evidence of the following:

(a) the person, association, contractor, firm, or corporation, other than a temporary service contractor, furnishing the services of a worker to another retains control over all aspects of the work performed by the worker, both at the inception of employment and during all phases of the work; and

(b) the person, association, contractor, firm, or corporation, other than a temporary service contractor, furnishing the services of a worker to another has obtained workers' compensation insurance for the worker in Montana both at the inception of employment and during all phases of the work performed.

(4) Notwithstanding the provisions of subsection (3), an interstate or intrastate common or contract motor carrier doing business in this state who utilizes drivers in this state is considered the employer, is liable for workers' compensation premiums, and is subject to loss experience rating in this state unless:

(a) the driver in this state is certified as an independent contractor as provided in 39-71-401(3); or

(b) the person, association, contractor, firm, or corporation furnishing drivers in this state to a motor carrier has obtained workers' compensation insurance on the drivers in Montana both at the inception of employment and during all phases of the work performed."

Section 28. Section 39-71-118, MCA, is amended to read:

"**39-71-118. Employee, worker, and volunteer firefighter defined.** (1) The terms "employee" or "worker" means:

(a) each person in this state, including a contractor other than an independent contractor, who is in the service of an employer, as defined by 39-71-117, under any appointment or contract of hire, expressed or implied, oral or written. The terms include aliens and minors, whether lawfully or unlawfully

employed, and all of the elected and appointed paid public officers and officers and members of boards of directors of quasi-public or private corporations while rendering actual service for the corporations for pay. Casual employees as defined by 39-71-116 are included as employees if they are not otherwise covered by workers' compensation and if an employer has elected to be bound by the provisions of the compensation law for these casual employments, as provided in 39-71-401(2). Household or domestic service is excluded.

(b) any juvenile performing work under authorization of a district court judge in a delinquency prevention or rehabilitation program;

(c) a person receiving on-the-job vocational rehabilitation training or other on-the-job training under a state or federal vocational training program, whether or not under an appointment or contract of hire with an employer as defined in this chapter and whether or not receiving payment from a third party. However, this subsection does not apply to students enrolled in vocational training programs as outlined in this subsection while they are on the premises of a public school or community college.

~~(d) students enrolled and in attendance in programs of vocational-technical education at designated vocational-technical centers;~~

~~(e)~~(d) an aircrew member or other person employed as a volunteer under 67-2-105;

~~(f)~~(e) a person, other than a juvenile as defined in subsection (1)(b), performing community service for a nonprofit organization or association or for a federal, state, or local government entity under a court order, or an order from a hearings officer as a result of a probation or parole violation, whether or not under appointment or contract of hire with an employer as defined in this chapter and whether or not receiving payment from a third party. For a person covered by the definition in this subsection ~~(f)~~(e):

(i) compensation benefits must be limited to medical expenses pursuant to 39-71-704 and an impairment award pursuant to 39-71-703 that is based upon the minimum wage established under Title 39, chapter 3, part 4, for a full-time employee at the time of the injury; and

(ii) premiums must be paid by the employer, as defined in 39-71-117(3), and must be based upon the minimum wage established under Title 39, chapter 3, part 4, for the number of hours of community service required under the order from the court or hearings officer.

~~(g)~~(f) an inmate working in a federally certified prison industries program authorized under 53-1-301.

(2) The terms defined in subsection (1) do not include a person who is:

(a) participating in recreational activity and who at the time is relieved of and is not performing prescribed duties, regardless of whether the person is using, by discount or otherwise, a pass, ticket, permit, device, or other emolument of employment; or

(b) performing voluntary service at a recreational facility and who receives no compensation for those services other than meals, lodging, or the use of the recreational facilities.

(3) The term "volunteer firefighter" means a firefighter who is an enrolled and active member of a fire company organized and funded by a county, a rural fire district, or a fire service area.

(4) (a) If the employer is a partnership or sole proprietorship, the employer may elect to include as an employee within the provisions of this chapter any member of the partnership or the owner of the sole proprietorship devoting full time to the partnership or proprietorship business.

(b) In the event of an election, the employer must serve upon the employer's insurer written notice naming the partners or sole proprietor to be covered and stating the level of compensation coverage desired by electing the amount of wages to be reported, subject to the limitations in subsection (4)(d). A partner or sole proprietor is not considered an employee within this chapter until notice has been given.

(c) A change in elected wages must be in writing and is effective at the start of the next quarter following notification.

(d) All weekly compensation benefits must be based on the amount of elected wages, subject to the minimum and maximum limitations of this subsection. For premium ratemaking and for the determination of weekly wage for weekly compensation benefits, the electing employer may elect not less than $900 a month and not more than 1 ½ times the average weekly wage as defined in this chapter.

(5) The trustees of a rural fire district, a county governing body providing rural fire protection, or the county commissioners or trustees for a fire service area may elect to include as an employee within the provisions of this chapter any volunteer firefighter. A volunteer firefighter who receives workers' compensation coverage under this section may not receive disability benefits under Title 19, chapter 17.

(6) An employee or worker in this state whose services are furnished by a person, association, contractor, firm, or corporation, other than a temporary service contractor, to an employer as defined in 39-71-117 is presumed to be under the control and employment of the employer. This presumption may be rebutted as provided in 39-71-117(3).

(7) For purposes of this section, an "employee or worker in this state" means:

(a) a resident of Montana who is employed by an employer and whose employment duties are

primarily carried out or controlled within this state;

(b) a nonresident of Montana whose principal employment duties are conducted within this state on a regular basis for an employer;

(c) a nonresident employee of an employer from another state engaged in the construction industry, as defined in 39-71-116, within this state; or

(d) a nonresident of Montana who does not meet the requirements of subsection (7)(b) and whose employer elects coverage with an insurer that allows an election for an employer whose:

(i) nonresident employees are hired in Montana;

(ii) nonresident employees' wages are paid in Montana;

(iii) nonresident employees are supervised in Montana; and

(iv) business records are maintained in Montana.

(8) An insurer may require coverage for all nonresident employees of a Montana employer who do not meet the requirements of subsection (7)(b) or (7)(d) as a condition of approving the election under subsection (7)(d)."

Section 29. Section 39-71-744, MCA, is amended to read:

"**39-71-744. Benefits not due while claimant is incarcerated -- exceptions.** (1) Except as provided in subsection (2), a claimant is not eligible for disability or rehabilitation compensation benefits while the claimant is incarcerated in a correctional institution, such as the Montana state prison or the Montana women's correctional center, as the result of conviction of a felony. The insurer remains liable for medical benefits. A time limit on benefits otherwise provided in this chapter is not extended due to a period of incarceration.

(2) A person who is employed while participating in a prerelease center program or a diversionary program is eligible for temporary total benefits as provided in 39-71-701 and medical benefits for a work-related injury received while participating in a prerelease center program or a diversionary program. Other disability or rehabilitation benefits are not payable while the worker is participating in a prerelease center. This subsection does not prohibit the reinstatement of other benefits upon release from incarceration, nor does it apply to an employee performing community service described in 39-71-118~~(1)(f)~~(1)(e)."

Section 30. Section 50-40-204, MCA, is amended to read:

"**50-40-204. Smoke-free buildings -- designated smoking areas.** (1) In buildings both owned and occupied by the state, smoking is prohibited in the following areas:

(a) general office space;

(b) auditoriums, classrooms, and conference rooms;

(c) elevators;

(d) corridors, lobbies, restrooms, and stairways;

(e) medical care facilities;

(f) libraries; and

(g) hazardous areas.

(2) (a) Subject to subsection (1), in state-owned buildings, an agency head shall establish at least one designated smoking area in the building occupied by the agency, provided that the building is suited by architectural design and functional purpose to have a designated smoking area as defined in 50-40-203.

(b) Buildings in the Montana university system~~, including the vocational-technical centers,~~ and buildings housing items of artistic or historic value that may be damaged by smoke are exempt from the provisions of subsection (2)(a).

(3) In establishing designated smoking areas, as provided in subsection (2), an agency head shall consider:

(a) the number of smokers and nonsmokers in the agency;

(b) the building ventilation system;

(c) the availability of space;

(d) the protection of nonsmokers from involuntary exposure to smoke; and

(e) available resources.

(4) (a) Agencies in multitenant buildings are encouraged to work together to identify designated smoking areas.

(b) The legislature shall establish designated smoking areas in the capitol in areas used by the legislature."

Section 31. Section 50-74-305, MCA, is amended to read:

"**50-74-305. Exceptions to requirements for engineer's license.** Allowable exceptions or variances

to the minimum requirements set out in 50-74-304 are as follows:

(1) An applicant for an engineer's license in any classification ~~holding~~ who holds a valid license in that classification from another state having licensing requirements equal to or exceeding the minimum requirements set out in 50-74-304, who successfully ~~passing~~ passes a written examination prescribed by the department, and who is found to be competent to operate a boiler and steam-driven machinery in that classification ~~shall~~ must be granted a license in that classification.

(2) Operating experience in a classification accumulated in the United States military services or the merchant marine service satisfactory to the department may be accepted in lieu of the operating experience required for licensing of engineers in each of the license classifications.

(3) An applicant having training in the operation of steam or water boilers and steam machinery who has been certified as having satisfactorily completed a prescribed training course from a ~~recognized vocational-technical training school or center or other~~ department-approved institution or training program in the classification for which ~~he~~ the applicant is applying may, at the discretion of the department, be credited with a maximum of 6 months' experience toward a first-, second-, or third-class engineer's license."

NEW SECTION. **Section 32. Vocational-technical education -- mill levy required.** (1) The boards of county commissioners of Cascade, Lewis and Clark, Missoula, Silver Bow, and Yellowstone Counties shall in each calendar year levy a tax of 1 1/2 mills on the dollar value of all taxable property, real and personal, located within the respective county.

(2) The funds from the mill levy must be deposited in the general fund and must be distributed for vocational-technical education on the basis of budgets approved by the board of regents.

NEW SECTION. **Section 33. Repealer.** (1) Sections 20-16-101, 20-16-102, 20-16-103, 20-16-104, 20-16-105, 20-16-106, 20-16-107, 20-16-108, 20-16-109, 20-16-201, 20-16-203, 20-16-204, 20-16-205, 20-16-206, 20-16-207, 20-25-251, 20-25-401, 20-25-431, 20-25-432, 20-25-433, 20-25-434, and 60-2-216, MCA, are repealed.

(2) Section 20-16-202, MCA, is repealed.

NEW SECTION. **Section 34. Name change -- directions to code commissioner.** (1) Wherever the

name "university of Montana" appears in the Montana Code Annotated or in legislation enacted by the 1995 legislature, the code commissioner is directed to change the name to "university of Montana-Missoula".

(2) Wherever the name "Montana state university" appears in the Montana Code Annotated or in legislation enacted by the 1995 legislature, the code commissioner is directed to change the name to "Montana state university-Bozeman".

(3) Wherever the name "eastern Montana college" appears in the Montana Code Annotated or in legislation enacted by the 1995 legislature, the code commissioner is directed to change the name to "Montana state university-Billings".

(4) Wherever the name "northern Montana college" appears in the Montana Code Annotated or in legislation enacted by the 1995 legislature, the code commissioner is directed to change the name to "Montana state university-northern".

(5) Wherever the name "Montana college of mineral science and technology" or "Montana tech" appears in the Montana Code Annotated or in legislation enacted by the 1995 legislature, the code commissioner is directed to change the name to "Montana tech of the university of Montana".

NEW SECTION. **Section 35. Codification instruction.** [Section 32] is intended to be codified as an integral part of Title 20, chapter 25, and the provisions of Title 20, chapter 25, apply to [section 32].

NEW SECTION. **Section 36. Effective dates -- applicability.** (1) [Section 33(2)] is effective December 31, 1995.

(2) [Section 32] is effective January 1, 1996, and applies to the operation of the vocational-technical system beginning in fiscal year 1997.

(3) [Sections 1 through 31, 33(1), 34, and 35 and this section] are effective July 1, 1995.

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0156, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: A bill for an act entitled: "An act restructuring the university system by incorporating the vocational-technical centers into the system; removing the vocational-technical center representative from the guaranteed student loan advisory council; deleting references to vocational-educational centers; removing vocational-technical center students from workers' compensation coverage; requiring five counties to levy 1/2 mills to support vocational-technical education; amending other sections and providing an effective date and an applicability provision."

ASSUMPTIONS:

1. The Board of Regents has the constitutional authority to make management structural changes in the university system.
2. The Board of Regents has used this authority to restructure the university system and this bill, with the exception in the workers' compensation section, merely recognizes the changes that have been made.
3. The Executive budget has recognized the savings from the restructuring.
4. The workers' compensation section of the bill is the only section that would be impacted by passage of this bill. This section removes the requirement that vocational-technical centers (now colleges/division of technology) pay workers' compensation insurance for their students.

FISCAL IMPACT:

Expenditures:

The following amounts are contained in the executive budget recommendations for worker's compensation contributions for students:

	FY96 Difference	FY97 Difference
College of Tech. Billings	(11,426)	(11,426)
Montana Tech Div. of Technology	(7,947)	(7,947)
College of Tech. Great Falls	(16,515)	(16,515)
College of Tech. Helena	(12,160)	(12,188)
College of Tech. Missoula	(14,042)	(14,042)
Total General Fund reduction	(62,090)	(62,118)

Net Impact:

General fund expenditure reduction

	(62,090)	(62,118)

Dave Lewis 1-19-95

DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Mignon Waterman 1-20-95

MIGNON WATERMAN, PRIMARY SPONSOR DATE

Fiscal Note for SB0156, as introduced

SB 156

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
SB0156	WATERMAN, MIGNON 1/16	1/25	1/30	RESTRUCTURE UNIVERSITY SYSTEM BY CONSOLIDATING VO-TECHS PASS AS AMENDED 1/30 VOTE:		1/31
SB0172	KLAMPE, TERRY 1/17	2/06	2/8	AUTHORIZE DISMISSAL OF TEACHER FOR FAILURE TO MEET EDUCATIONAL EXPECTATIONS TABLED ON 02/08 VOTE:		
SB0180	TVEIT, LARRY 1/18			REVISE BINDING SCHOOL ARBITRATION LAW VOTE:	LABOR & EMPLOYMENT	
SB0195	BAER, LARRY 1/18	1/27	2/13	CONSTITUTIONAL REFERENDUM CLARIFYING ARTICLE X, SECTION 1 TABLED ON 02/13 VOTE:		
SB0232	TOEWS, DARYL 1/24	2/01	2/10	REVISE CERTAIN DUTIES OF SUPERINTENDENT AND BOARD OF PUBLIC EDUCATION PASS AS AMENDED 2/10 VOTE:		2/13
SB0250	NELSON, LINDA 1/26	2/01	2/10	AUTHORIZE SCHOOL TRUSTEES TO ESTABLISH A LITIGATION RESERVE FUND PASS AS AMENDED 2/10 VOTE:		2/10
SB0280	GROSFIELD, LORENTS 1/31	2/08	2/13	DEFINE SAME SALARY FOR TENURE TEACHER AS DAILY RATE OF PAY FOR 187 DAYS TABLED ON 02/13 VOTE:		
SB0291	GAGE, DELWYN 2/01	2/08	2/10	REMOVE REQUIREMENT TO GRANT TENURE TEACHER THE SAME SALARY AS PREVIOUS YEAR PASS AS AMENDED 2/10 VOTE:		2/10
SB0351	STANG, BARRY 2/10	2/15	2/17	CREATE EDUCATIONAL TECHNOLOGY TRUST FUND FOR GRANTS TO SCHOOL DISTRICTS NO ACTION TAKEN 2/17 VOTE:		
SB0370	TOEWS, DARYL 2/11	2/15	2/17	AUTHORIZE SCHOOL BOARDS TO ESTABLISH CHARTER SCHOOLS UNDER TRUSTEE CONTROL PASS AS AMENDED 2/17 VOTE:		2/17
SB0396	MOHL, ARNIE 2/14	2/17		MERGE COMMUNITY COLLEGES INTO MONTANA UNIVERSITY SYSTEM TABLED ON 02/17 VOTE:		
SB0409	HARGROVE, DON 2/16	3/03	3/8	ALLOW ACCREDITED NONPUBLIC SCHOOL BUSES TO USE DYED FUEL FOR SOME PURPOSES PASS AS AMENDED 3/8 VOTE:		3/10

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DARYL TOEWS**, on January 25, 1995, at 1:03 p.m.

ROLL CALL

Members Present:
Sen. Daryl Toews, Chairman (R)
Sen. John R. Hertel, Vice Chairman (R)
Sen. C.A. Casey Emerson (R)
Sen. Delwyn Gage (R)
Sen. Loren Jenkins (R)
Sen. Kenneth "Ken" Mesaros (R)
Sen. Steve Doherty (D)
Sen. Gary Forrester (D)
Sen. Barry "Spook" Stang (D)
Sen. Mignon Waterman (D)

Members Excused: N/A

Members Absent: N/A

Staff Present: Eddye McClure, Legislative Council
Janice Soft, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:
Hearing: SB 112, HB 51, SB 156, HB 25
Executive Action:

HEARING ON SB 112

Opening Statement by Sponsor:

SEN. BARRY "SPOOK" STANG, SD 36, St. Regis, said that **SB 112** was the result of the Task Force on Pupil Transportation Finance, the members of which are listed on the back page of **EXHIBIT 1. SEN. STANG** went on to say that the Task Force was formed to address the transportation issues that have surfaced over the past few years. The group tried to come up with accountability for the state pupil transportation systems. He finished by saying that members of the Task Force would explain **SB 112** and then he would be available to answer questions.

51.

{Tape: 1; Side: B; Approx. Counter: ; Comments: .}

HEARING ON SB 156

Opening Statement by Sponsor:

SEN. MIGNON WATERMAN, SD 26, Helena, decided that the best way to deal with the size of **SB 156** was to go through it section by section. She further explained that the essence of **SB 156** is to allow the change in the statutes and codes to reflect the restructuring of the university system and the five vo-tech centers, which have merged with the university system. **SEN. WATERMAN** stressed the fact that **SB 156** has nothing to do with the Governor's reorganization bill which restructures the university system, OPI, Board of Regents and Board of Public Education.

Changes: (1) Page 2, section 1, deals with the reorganization of the guaranteed student loan advisory council; (2) Pages 2-9, sections 3,4,5,6, delete the specific reference to the vo-tech centers in the state accounting system; (3) Pages 11-12, sections 7,8, lists the university system campus locations in the state budgeting statutes; (4) Page 14, sections 9,10, deletes references to vo-tech centers in the retirement statutes; (5) Pages 17-19, sections 11,12,13, amends the campus names, deleting specific references to the vo-tech centers in the general law; (6) Page 21, section 14, conforms the duties of the county treasurer as it pertains to the 1.5 county mills for the vo-tech levy which continues; (7) Pages 21-24, sections 15,16,17, lists the university campus location changes, authorizes the change in names and includes the vo-tech centers within the university statutes; (8) Page 24, section 18, provides for local executive boards in each area where vo-tech centers are; (9) Pages 25-27, sections 19,20,21, deletes specific references to vo-tech centers in the MetNet statutes; (10) Page 28, section 22, deletes specific references to the vo-tech centers under the Montana Conservation Corp statute; (11) Pages 28-30, sections 23,24, deletes references to vo-tech centers in the nursing and cosmetology statutes; (12) Pages 31-34, sections 25,26, deletes specific references to vo-tech centers in the veterans and handicapped preference statutes; (13) Pages 34-38, sections 27, 28,29, removes vo-tech students from coverage under Workers Compensation system. Vo-tech students will now be covered under the student health insurance plan, just as university system students are; (14) Page 39, section 30, removes reference to smoke-free buildings in vo-tech centers; (15) Page 40, section 31, removes reference to steam boiler engineering licensing statutes; (16) Pages 40-41, Sections 32-36, are new. Section 32 deals with reenacting the 1.5 mill levy and allows authority for the assessment; Section 33 is the general repealer for vo-tech statutes; Section 34 is the instructions to the code commissioner to change names to reflect present names of campuses; Section 35

is codification instruction; Section 36 is the effective date which is July 1, 1995, and matches the levy language.

SEN. WATERMAN said that **SB 156** saves money in that the vo-tech students will not be covered by Workers Comp. She said she would like to offer one additional amendment which would be offered in the Executive Session, namely, defining in-state and out-of-state students.

Proponents' Testimony:

Jeff Baker, Commissioner of Higher Education, began his testimony by distributing a booklet, "1995 Regular Legislative Session." **EXHIBIT 5** He explained that page 1 is a classical organizational chart of the Montana University System. There are two crucial concepts: (1) Efficiency through economies of scale, i.e. dollars, efficiency of services, helping each other, making better decisions for additional, as well as, present students. An illustration is the non-coordination of computer software and hardware among the Montana campuses which makes sending a transcript within the university system impossible; (2) Push decision-making to the campuses so that they can respond to their individual differences and customers (students). **Commissioner Baker** then drew the committee's attention to page 3 which illustrates communication among the university campuses. He finished by saying that the rest of **EXHIBIT 5** explains the university restructuring. Also, **SB 156** cleans up the statutes which deal with the changes which have taken place within the university system. **Commissioner Baker** cautioned the committee by echoing what **SEN. WATERMAN** had said earlier, **SB 156** is not to be confused with HB 229 which does away with the Board of Regents, etc. **SB 156** will stay in place no matter what happens with HB 229.

Alex Capdeville, Dean of Helena College of Technology, University of Montana, said that vo-tech restructuring is not a new term to former vo-techs. One of the most important restructuring points is opportunity enhancement in a two-year technical education. This provides students with the opportunity to have upward mobility, should they desire. Montana, historically, has been very strong in thinking of higher education as four-year opportunities, not two-year. A stronger technical opportunity is now provided, i.e. Ford Motor Company, with which Helena College of Technology works closely, will not place their training program in an institution where an associate degree is not provided. Their logic is that students who display general skills to get required general education courses to go with the degree will be better candidates for retraining.

Mr. Capdeville went on to say that finally the former vo techs are placed in their rightful place in Montana's higher educational system. Students can now see former vo techs as an option and not an alternative. He finished by saying that he encouraged support for **SB 156.**

Pat Haffey, Policy Advisor in the Governor's Office, spoke on behalf of the Governor's support of **SB 156**. From early on, the Governor supported **Commissioner Baker's** proposal to restructure the university system, joining **Commissioner Baker** and the Board of Regents in a number of informational meetings designed to explain the restructuring and to solicit input from the campuses. The Governor's Office believes that the current restructure has provided the campuses with a number of benefits. **Ms. Haffey** ended her testimony by urging support for **SB 156.**

LeRoy Schramm, Legal Council in the Commissioner's Office, raised one point following **SEN. WATERMAN'S** comment about the amendment she would have ready for the Executive Session. The Regents' policy on residency mirrors state statute which says that any graduate of a Montana high school is entitled to in-state tuition. The statute was designed decades ago primarily to include students from North Dakota, Wyoming or Idaho who have graduated from high schools in communities around Montana's outer edge. It also granted in-state status to students who came to live with relatives, even though their residence was in another state. U of M and MSU have always interpreted the statute and Regents' policy to limit in-state status to citizens of the United States. Presently, a non U.S. citizen is challenging and appealing the designation of non-residence, saying that if residence status is not granted, there will be a lawsuit. The amendment will add "citizen or resident alien" which will allow the campuses to continue present policy of restricting in-state fee exception to U.S. citizens.

Mary Sheehy-Moe, English teacher at Helena College of Technology, spoke on behalf of the bargaining unit at the College of Technology. She urged support for **SB 156**, saying that it is another change for the vocational/technical teachers but they are looking forward to the challenge and student opportunity.

Opponents' Testimony: None.

Questions From Committee Members and Responses:

SEN. FORRESTER asked **Commissioner Baker** about MSU-B's classroom addition on the university system priority list, which was several years old. The new priority list does not include the classroom addition at all. **SEN. FORRESTER** went on to say that the legislature gives the lump sum funding but the Board of Regents doesn't seem to listen to the legislature. **Commissioner Baker** said that the lump sum funding addresses the operational components of the budget which deals with repeatedly occurring campus activities. A priority list has been compiled which includes deferred maintenance (adaptive, i.e. American Disabilities Act) and new construction. The list was consolidated and the Board of Regents approved the list. The Governor's recommendations were the same as the Board's first eight or nine items, but skipped to two other items which were below the new construction to which **SEN. FORRESTER** referred. The

new construction in Billings was on the list for approximately $11 million. Two projects picked up instead: (1) A bio-science building which will be built without state money but operations and maintenance money to support that building ($300,000 - $400,000 per year) is still in question; (2) Pharmacy complex at U of M - Missoula jumped to 15th or 16th on the list at a price tag of a $2 million match for an additional $2 million. The reason the $2 million was picked up that way was to round up the total bonding package; and that's how much money was remaining to reach the maximum bonding.

Commissioner Baker went on to say that the position of the Board of Regents is the integrity of the list submitted. About two weeks ago, the Board had a bill introduced outside the structure on item 22 on the priority list and said that it does not support the building of that structure (it happens to be at the College of Technology at Great Falls) but does support the integrity of the list. He admitted that the Board does think it unrealistic to build a $11 million building in Billings at this time, but the Board is trying to work with Chancellor Sextant to come forward with a planning grant which would allow the Board to assess more appropriately the need and then devise a plan for a structure which would serve the present and future needs of the campus. **Commissioner Baker** ended by saying that restructuring and lump sum funding proposal would not change the priority list. Also, the lump sum funding was going to include more accountability so the legislators would know specifically where the money was going.

SEN. JENKINS wondered why the vo-tech loan advisor was dropped. **LeRoy Schramm** answered that there would be no separate vo-tech center because it was now part of the university system. **Commissioner Baker** also commented that one of the concerns, when restructuring was taking place, was "mission drift", which means that the institution starts to get away from the purpose for which it was designed. The intent is to strengthen that mission in a sense that prepares students for the 21st century. He further explained that last statement by saying that when accreditation agencies came to look at the university system, they criticized some locations for not being sensitive to changing economic needs in the community. The hallmark of the vo-techs is responsiveness to local community needs through various activities and plans and these were put into place to ensure that responsiveness is not lost. He went on to say that the Board of Regents met in Helena and was very concerned about the length of response time the new programs were requiring to come on line to meet community needs. **Commissioner Baker** used the above text to explain the question of the loan officer raised by **SEN. JENKINS,** saying that the blending of the institutions was being attempted, without losing the identity of each. The bottom line is that the schools should lose neither their identity nor their mission.

SEN. JENKINS also wondered about adding 1.5 mills to the five

counties and why there wasn't an addition to the university counties. **Commissioner Baker** replied that the above concept was not new, but rather it was a continuation of something already in place. The counties in which the Billings, Butte & Missoula units are located will also have a 1.5 mill levy in addition to the 3 mills for the university system.

SEN. JENKINS still had a question on the loan officer issue, wondering why it wasn't clearly stated that one person would be from the university system and the other from the college of technology. **Commissioner Baker** replied that **SB 156** was trying to clarify the fact that the colleges of technology were an integral part of the units to which they are attached.

SEN. STANG asked what had been done to streamline administration and save money. **Commissioner Baker** answered by saying that the emphasis had not been put on cutting positions to save money; however, some money had indeed been saved. Instead, the emphasis had been put on services provided and increase in student numbers and doing so without adding more administration.

Closing by Sponsor:

SEN. WATERMAN responded to **SEN. STANG'S** question by sharing the example she tells her constituents: When **SEN. WATERMAN** served on the Helena school board and the vo-tech was under the high school district, single mothers would want to go back to school to get their LPN degrees from the vo-tech center. After working awhile as LPNs, they might decide to get their nursing degrees, which required them to start over at Bozeman. Now, a person can begin at the college of technology and continue in one of the other university units because the credits will transfer. Also, having one loan application which will transfer within the university will make that part much easier for the students.

SEN. WATERMAN also commented that she was impressed with the Board's dedication to getting the students graduated in four years, thus saving dollars.

MONTANA SENATE
1995 LEGISLATURE
EDUCATION AND CULTURAL RESOURCES COMMITTEE

ROLL CALL DATE 1/25/95

NAME	PRESENT	ABSENT	EXCUSED
SEN. JOHN HERTEL, VICE CHAIRMAN	✓		
SEN. DELWYN GAGE	✓		
SEN. KEN MASAROS	✓		
SEN. STEVE DOHERTY	✓		
SEN. MIGNON WATERMAN	✓		
SEN. BARRY "SPOOK" STANG	✓		
SEN. LOREN JENKINS	✓		
SEN. GARY FORRESTER	✓		
SEN. C.A. CASEY EMERSON	✓		
SEN. DARYL TOEWS, CHAIRMAN	✓		

SEN:1995
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CS-09

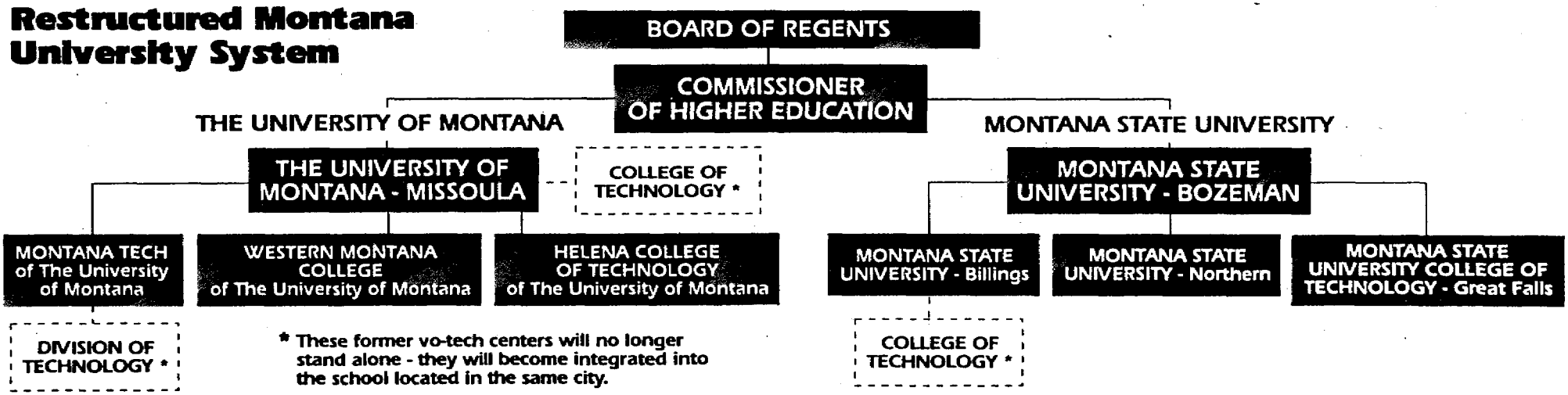
SENATE EDUCATION
EXHIBIT NO. 5
DATE 1/25/95
BILL NO. SB 156

1995 REGULAR LEGISLATIVE SESSION

MONTANA UNIVERSITY SYSTEM

January 25, 1995

Restructured Montana University System



* These former vo-tech centers will no longer stand alone - they will become integrated into the school located in the same city.

STATE BOARD OF EDUCATION: DETAIL

EXHIBIT 5
DATE 1-25-95
SB 156

STATE BOARD OF EDUCATION

GOVERNOR: PRESIDENT
SUPERINTENDENT: SECRETARY
COMMISSIONER

EX OFFICIO
NONVOTING
PARATICIPANTS

A joint board comprised of members of Board of Public Education and Board of Regents

BOARD OF PUBLIC EDUCATION

GOVERNOR
SUPERINTENDENT
COMMISSIONER

EX OFFICIO
NONVOTING
PARTICIPANTS

7 MEMBERS, 7 YEAR TERMS

Board exercises general supervision over the public school system

BOARD OF REGENTS

GOVERNOR
SUPERINTENDENT
COMMISSIONER

EX OFFICIO
NONVOTING
PARTICIPANTS

6 MEMBERS, 7 YEAR TERMS
1 STUDENT MEMBER,
1-4 YR TERM

Board has full power, responsibility, and authority to supervise, coordinate, manage and control the Montana University System

State Board of Education is responsible for long-range planning, and for coordinating and evaluating policies and programs for the state's educational systems. It shall submit unified budget requests. A tie vote at any meeting may be broken by the governor.

Restructured Montana University System

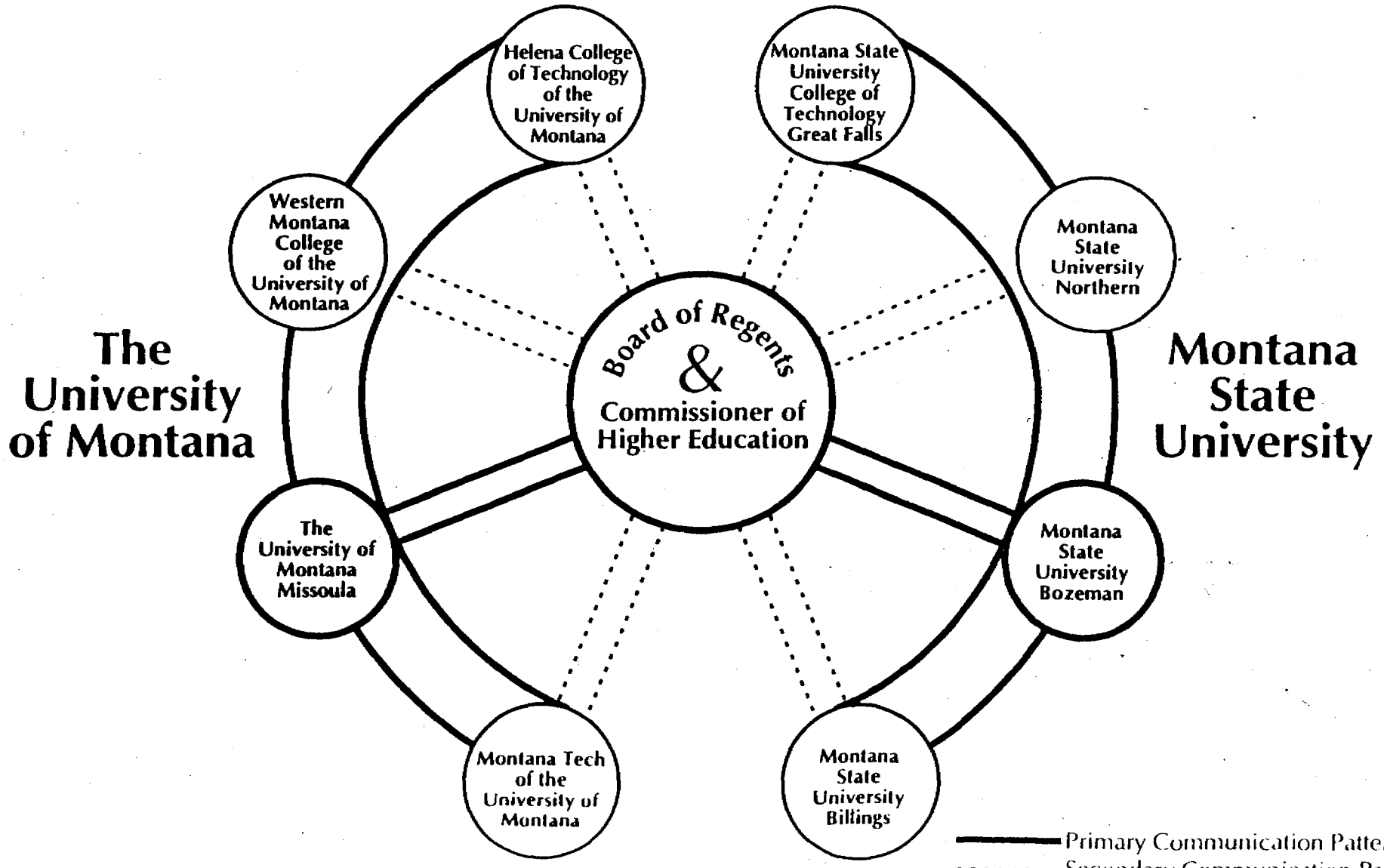


EXHIBIT 5
DATE 1-25-95
SB 156

MONTANA UNIVERSITY SYSTEM
OFFICE OF COMMISSIONER OF HIGHER EDUCATION

2500 BROADWAY PO BOX 203101 HELENA, MONTANA 59620-3101 (406)444-6570 FAX (406)444-1469

TO: Board of Regents

FROM: Jeff Baker
Commissioner

SUBJECT: Progress Report on Restructuring

DATE: December 30, 1994

Enclosed is a restructuring progress report prepared by Montana State University and The University of Montana. Earlier this fall, I shared with you the substantive change proposals submitted to the Northwest Association of Schools and Colleges. The responses from Dr. Joseph A. Malik, NWASC Executive Director, are included.

We are pleased with the progress to date. We are making considerable headway toward achieving the stated objectives and have moved well beyond restructuring to define the future in ways that serve students and the state to best advantage. You will receive a report on the academic program review at the January meeting, along with the legislative initiatives—items that address new directions.

I wish I could adequately express to you the dedication and hard work that people throughout the system have put into making restructuring work. The credit belongs to them. I want to make special reference to Mike Malone and George Dennison for their leadership—they have given life to the plan. Without them and the other campus leaders, we could not have come this far.

We still have a considerable way to go, but the beginning is solid.

JDB:rmb
enclosures

MONTANA UNIVERSITY SYSTEM

Office of Commissioner of Higher Education

2500 Broadway • PO Box 203101 • Helena, Montana 59620-3101 • (406) 444-6570 • FAX (406) 444-1469

TO: George Dennison, President
The University of Montana

Michael Malone, President
Montana State University

FROM: Jeff Baker
Commissioner

SUBJECT: Report Card

DATE: November 9, 1994

As we prepare for the January Board of Regents meeting and the legislative session, please prepare a report card for MSU and The UM using the following format and criteria. The objectives are those outlined in the restructuring process. Both the substantive change proposals submitted to Northwest included similar language. I am using that which Don Habbe prepared.

1. Unity: Restructuring is designed to achieve a single, unified system of higher education with a totally integrated approach, not merely a collection of separate units.

2. Improved service to students and increased productivity: Restructuring should increase the quality and quantity of academic and support programs and, if possible, decrease costs or restrain cost increases. The emphasis here is not "saving money" but investing in program improvement.

3. Balance: Restructuring must strike an appropriate balance between appropriate centralization and necessary decentralization.

4. Two-year education: Restructuring should enhance two-year educational programs, a better fit between students and programs, and statewide access.

EXHIBIT 5
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5. Strong telecommunications system: Restructuring should enhance opportunities for distance-learning through telecommunications and other means. It should also improve management systems technology.

6. Improved academic program integration: Restructuring should address the issue of program duplication, strategic academic planning and program review, and facilitate student transfer.

Dick Crofts will coordinate. The submission deadline is December 15, 1994. Thank you.

JDB:rmb

cc: Dick Crofts, OCHE
Chancellors

RECEIVED
DEC 19 1994
UNIVERSITY OF MONTANA

NORTHWEST ASSOCIATION OF SCHOOLS AND COLLEGES

COMMISSION ON COLLEGES
Office of the Executive Director

RECEIVED
DEC 19 1994
UNIVERSITY OF MONTANA
PRESIDENT'S OFFICE

December 15, 1994

Dr. George M. Dennison
President
University of Montana - Missoula
Missoula, MT 59812

Dear President Dennison:

This is to report that the Commission on Colleges, at its regular meeting on December 8-9, 1994, approved the major substantive change prospectus which described the restructuring of the University of Montana. This restructuring provides for an administrative merger of Montana College of Science and Technology, Western Montana College of the University of Montana, Missoula Vocational-Technical Center, Butte Vocational-Technical Center, and the Helena Vocational-Technical Center, with the University of Montana - Missoula.

In approving the prospectus, the Commission requested that the University of Montana - Missoula prepare a focused interim report and host a small evaluation committee in spring 1996. The focused interim report and visit are to evaluate the impact of the restructuring on the University and the other institutions involved. Further, based upon the prospectus, as well as the report, "The Restructuring of the Montana University System" prepared by the Office of the Commissioner, the Commission set July 1, 1995, as the date when the College of Technology - Missoula and the College of Technology - Butte will no longer be separately accredited institutions; their accreditation will come under the University of Montana - Missoula and Montana Tech of the University of Montana, respectively. The College of Technology - Helena, which has been designated as a higher education center, will continue as a separately accredited institution.

We will write late in 1995 about the focused interim report and to suggest a date for the visit. Should there be any questions, please write or telephone the Commission office.

Best wishes for a pleasant holiday season.

Sincerely,

Joseph A. Malik
Executive Director

JAM:rb
cc: Dr. Robert L. Kindrick, Provost/Academic Vice President
Dr. Sheila Stearns, Chancellor, Western Montana College of The University of Montana
Dr. Lindsay D. Norman, Chancellor, Montana Tech of the University of Montana
Ms. Jane G. Baker, Dean, Division of Tech. Montana Tech of the University of Montana
Dr. Dennis Lerum, Dean, College of Technology - The University of Montana - Missoula
Dr. Alex Capdeville, Dean, Helena College of Technology of the University of Montana

3700 University Way N.E., Seattle, Washington 98105 Telephone (206) 543-0195 FAX (206) 685-4621

EXHIBIT 5
DATE 1-25-95
SB 156

NORTHWEST ASSOCIATION OF SCHOOLS AND COLLEGES

COMMISSION ON COLLEGES
Office of the Executive Director

DEC 2 - 1994

December 15, 1994

Dr. Michael P. Malone
President
Montana State University - Bozeman
Bozeman, MT 59717

Dear President Malone:

This is to report that the Commission on Colleges, at its regular meeting on December 8-9, 1994, approved the major substantive change prospectus which described the restructuring of Montana State University. This restructuring provides for an administrative merger of Northern Montana College, Eastern Montana College, Billings Vocational-Technical Center and Great Falls Vocational-Technical Center with Montana State University - Bozeman.

In approving the prospectus, the Commission requested that Montana State University - Bozeman prepare a focused interim report and host a small evaluation committee in spring 1996. The focused interim report and visit are to evaluate the impact of the restructuring on the University and the other institutions involved. Further, based upon the prospectus, as well as the report, "The Restructuring of the Montana University System" prepared by the Office of the Commissioner, the Commission set July 1, 1995, as the date when the College of Technology - Billings will no longer be a separately accredited institution; its accreditation will come under the Montana State University - Billings. The College of Technology - Great Falls, which has been designated as a higher education center, will continue as a separately accredited institution.

We will write late in 1995 about the focused interim report and to suggest a date for the visit. Should there be any questions, please write or telephone the Commission office.

Best wishes for a pleasant holiday season.

Sincerely,

Joseph A. Malik
Executive Director

JAM:rb
cc: Dr. Mark A. Emmert, Provost/V. P. for Academic Affairs, Montana State University, Bozeman
Dr. Ronald P. Sexton, Acting Chancellor, Montana State University, Billings
Mr. William W. Barr, Assist. Director for Academic Affairs, MSU-Billings The College of Technology
Dr. William Dachling, Chancellor, Montana State University, Northern
Mr. Willard R. Weaver, Dean, Montana State University-The College of Technology -Great Falls

1700 University Way N.E., Seattle, Washington 98105 Telephone (206) 543-0195 FAX (206) 685-3621

The University of Montana

Office of the President
The University of Montana
Missoula, Montana 59812-1291
(406) 243-2311, FAX (406) 243-2797

20 December 1994

TO: J. Baker, Commissioner of Higher Education

FROM: G. M. Dennison, President

SUBJECT: Report Card

Restructuring the Montana University System afforded the opportunity to focus sharply upon several key goals and required a periodic and regular report card to the policy makers and people concerning the progress in attaining these goals. As in most cases involving the pursuit of quality and excellence, we measure progress by what we have accomplished rather than by the final attainment of a specific goal. For the four campuses of The University of Montana, I take great pride in submitting this report organized around the programmatic goals.

1. ***Unity***:

- Within The University of Montana, we have sought to create an integrated institution consisting of four distinct, mission-oriented campuses working closely together. We have not centralized all functions, but instead have emphasized the most effective and efficient way to deliver services to students, faculty, staff, and external clientele. As a result, we have decentralized functions wherever possible to the operational level in order to serve unique needs in accordance with agreed upon standards of quality and responsiveness, and to assure the fulfillment of campus role and mission. Those functions best performed centrally to the benefit of all campuses, we have centralized, but always within a coordinative and collaborative context assuring campus involvement in decision making and priority setting. In our view, this approach maximizes the advantages of restructuring while also maintaining the strengths of diversity and campus autonomy.

- All campuses now report to the President of The University of Montana through either the Chancellor--in Butte and Dillon--or Dean--in Helena. The Dean of the Helena College of Technology also reports to the Provost of The University of Montana-Missoula for academic programming purposes. This arrangement has facilitated coordination of

all program offerings in accordance with the role and scope of each campus, and assures appropriate articulation.

- The Executive Committee meets twice annually with the President's Advisory Council comprised of citizens from across the State willing to provide advice and guidance. The meetings rotate among the campuses.

- The Executive Committee meets regularly with legislative delegations from the communities where the campuses exist.

- A Government Relations Council meets regularly to plan for initiatives at the State and national levels.

- Regularly scheduled meetings bring all administrative officers of the several campuses together for planning, articulation, coordination, and cooperation. The meeting groups include the Executive Committee of The University of Montana, consisting of the President, two Chancellors, and Dean of the Helena College of Technology; the Chief Academic Officers, with the Provost of the Missoula campus serving as the Chair; the Deans responsible for two-year and technical education, with the Dean of the Helena College of Technology serving as Chair; the Fiscal Officers, with the Vice President of the Missoula campus serving as the Chair; the Student Affairs Officers, with the Dean of Students of the Missoula campus serving as Chair; and the Outreach Officers, with a designated facilitator.

- Some integrative actions resulted directly from the design of the restructuring plan adopted by the Board of Regents.

    - The Missoula and Butte Vocational-Technical Centers have become the College of Technology within The University of Montana-Missoula and the Division of Technology of Montana Tech of The University of Montana. All administrative components of the former Centers have become integral parts of the administrative structures of the Missoula and Butte campuses, and the professionals involved have helped to design and then assumed new roles and responsibilities. At the same time, the College and Division have sustained their full ranges of vocational-technical programs while also assuming broader responsibilities within the University and Montana Tech.

respectively.

- The Helena Vocational-Technical Center has become the Helena College of Technology of The University of Montana and a Montana University System Higher Education Center. The College continues to offer its full range of vocational-technical programs, but has also begun to provide lower-division courses for academic transfer and serve as the site for graduate programming.

- The extension of services among the four campuses has resulted in increased unity and quality.
  - Facilities Services and Planning;
  - Purchasing;
  - Budgeting;
  - Computing and Networking;
  - Library Services;
  - University-wide Audits; and
  - Internal Auditing.

- By pledging auxiliary revenues for the entire University, we have initiated badly needed facilities renovation and construction on the Helena and Dillon campuses as well as the Missoula campus. We await a more favorable market to proceed with similar work on the Butte campus.

- The University has in development a policy concerning Regents' Contracts for administrators, and professionals, outlining criteria for making such appointments.

- Several specific accomplishments include:
  - A unified budget and budget request process using a multi-campus budget committee that presents recommendations to the President who reviews them with the Executive Committee.
  - A unified Long-Range Building Plan and request process using a multi-campus committee that presents recommendations to the President who reviews them with the members of the Executive Committee.

- A joint Graduate Advisory Council, with the Provost of the Missoula campus as Chair.

- Three joint Academic Councils for coordinated development of two-year, four-year, and graduate programs.

- An articulated transfer policy within the University, with the elimination of transfer application fees.

- Cooperative efforts in student recruitment and admissions including a common brochure listing all programs by campus; combined visits in and out of State, sharing costs and resources; and common training for admissions staff.

- A general education committee comprised of faculty members from all campuses which meets regularly to refine the general education program and develop appropriate assessment mechanisms to supplement Carnegie units and traditional grades.

- Faculty, staff, and students from all campuses participate in a Higher Education Roundtable for The University of Montana sponsored by the Pew Memorial Trust and focused upon defining the future for higher education. Building upon the results of campus-based Roundtables, the University Roundtable provides the forum for strategic discussion for The University of Montana.

2. ***Improved Services to Students and Increased Productivity***:

- The University of Montana will implement on all campuses the successful collaborative planning process pioneered on the Missoula campus that ties salary increases to enhanced effectiveness and productivity standards, with appropriate attention to the unique needs and conditions of each campus.

- The former Vocational-Technical Center students will have access to all College and University facilities and services.

- Collaborative faculty meetings have focused upon sharing resources to deliver graduate programs in business administration, technology management, the sciences, and education.

- Faculty from all campuses have participated in the development of a Bachelor of Applied Sciences degree program as a capstone for Associate of Applied Sciences degree programs, at the student's option.

- Student services have expanded and deepened for Technology students in Missoula and Butte and for students on all campuses. Specific examples include sharing of resources for international education, sexual assault services, and disability services.

- Common health insurance for all students has become a high priority, and an RFP is being written and will be issued to vendors in January.

- Faculties from the Missoula, Dillon, and Butte campuses have focused directly upon student retention and time to graduation, with specific attention to a guarantee of graduation in four years to any student who will follow the program and maintain the required grade point average.

- The University has acquired for all campuses--with provision to extend the franchise to Montana State University campuses--a new, state-of-the-art Human Resources Information System, Touchtone Registration System, and Touchtone Financial Aid System. Current plans call for a new Financial Resources System within two years.

- All campuses participate in the University's benchmarking program designed to evaluate and re-engineer processes for effectiveness and efficiency in the light of "best practices," and to assure continuous quality improvement.

- All campuses have implemented employee incentive programs to identify problems or inefficiencies and develop responses.

- All campuses have participated in the development and implementation of an integrated automation system for the Libraries, complete with public access on-line catalogs, campus interconnectivity, and access to the Internet to locate remote resources.

- A common format for student and other fees for Regents' review and approval, following review and recommendation by the President with the counsel of the Executive Committee.

3. ***Balance***:

- The University of Montana has maintained a decentralized approach to functioning, paying appropriate attention to the need for diversity within the University in order to guard against mission drift.

- The University of Montana participates in a Planning Council with Montana State University and the Commissioner on Higher Education for the Montana University System with representation provided by the President, Provost, and Vice President for Administration and Finance of the Missoula campus.

- The President reviews all policy, personnel, and budget issues with the Executive Committee prior to taking them to the Regents.

- The University of Montana has extended its contacts and interactions with the K-12 educational system through the cooperation of all its campuses, especially with regard to school-to-work and workforce preparation.

- The University of Montana now coordinates all academic programming from the one-week training course through the doctoral level.

- The University of Montana has developed planning and budgeting processes that require campus deliberations prior to University discussions.

- The University of Montana deploys the expertise from each campus to assist all campuses and does not seek to duplicate unique resources--occupational safety and hazardous waste, disability services, rural education, international education, and the like.

4. ***Two-Year Education***:

- The University has developed an enrollment plan for the years through FY 2000 (using FY 1994 actual enrollments as the departure point) for all campuses that contemplates increases of 787 FTE students (plus 60 percent) in two-year programs, 885 FTE students (plus eight percent) in four-year programs, and 568 FTE students (plus 50 percent) in graduate programs. These numbers will accommodate an increase of 1,585 FTE

residents (15 percent), with State funding support, and 659 FTE nonresidents (21 percent), with no State funding support. Of the 1,585 FTE residents, 722 (46 percent) will enroll in two-year programs, 404 (25 percent) will enroll in four-year programs, and 465 (29 percent) will enroll in graduate programs.

- The University of Montana has maintained the vocational-technical programs heretofore associated with the former Centers and will enhance and broaden those offerings.

- Technology and two-year program students now have access to all services heretofore available only to four-year students, as a general rule. In Missoula, College of Technology students now have access to the residence halls and family housing, expanded career assistance and placement services, all campus facilities, and will soon have access to the Student Health Services. Similar benefits have been extended in Butte. The Helena College of Technology has in development the provision of similar services.

- Faculties from the Colleges and Division of Technology have participated in the development of outcomes assessment standards to facilitate student transfer and change of status for students. These standards will take account of demonstrated proficiencies rather than credits and grades.

5. ***Strong Telecommunications System***:

- The University has moved aggressively to link the campuses through telecommunications.

  - The Missoula and Helena campuses are now on-line with dedicated facilities.

  - The equipment for the Dillon campus is on order and will be installed upon delivery.

  - The Butte campus has limited access to a privately owned facility. but we have identified the need to provide a dedicated facility on the campus within the next year.

- The University is participating actively in the development of SUMMITNET and MUSENet.

- The University will deliver graduate programs in Billings, Butte, Helena, Dillon, and Kalispell in 1995 and 1996 using interactive television.

- The expertise from the Missoula campus has been extended to all of the campuses, while drawing upon the expertise of the Butte and Dillon campuses.

- The acquisition of site licenses for The University of Montana has produced savings for all campuses.

- With the new Human Resources Information System, The University of Montana will begin to implement common or interactive systems across all campuses.

6. ***Academic Program Integration***:

- The faculties of the several campuses have met frequently to identify ways to share resources in the delivery of graduate programs in business administration, technology management, liberal arts, health seminars, and education.

- Discussions have begun involving the geologists from the Missoula and Butte campuses looking toward a joint doctoral program in geology.

- The Education facilities of the Missoula and Dillon campuses have collaborated to redesign the Master's of Education degree delivered in Dillon and Butte.

- The faculties from all campuses will participate in the delivery of lower-division courses for transfer on the campus of the Helena College of Technology.

- The proposed Bachelor of Applied Sciences degree program will involve the faculty of all campuses of the University in the effort to respond to the needs of students earning the Associate of Applied Sciences degrees.

- The faculties of all campuses participate actively in the ongoing review

of general education and the development of outcomes indicators.

- All four campuses have reviewed program inventories and proposed restructuring and deletions to assure the most efficient and effective use of resources in response to pressing needs.

- The University has developed an expedited process for review and approval of training and Associate of Applied Arts programs so as to enable the two-year campuses to respond quickly to identified needs within their communities.

- The University has participated actively in the effort to bring the three Community Colleges into the restructured System in order to assure the achievement of the goals of restructuring and the emphasis upon two-year and technical education.

GMD/ms
DENMEM.785

EXHIBIT 5
DATE 1-25-95
SB 156

MONTANA STATE UNIVERSITY
BOZEMAN

Office of the President
211 Montana Hall
MSU • Bozeman
Bozeman, MT 59717-0242
Telephone (406) 994-2341
Fax (406) 994-1893

RECEIVED
DEC 2 1994
MONTANA UNIVERSITY SYSTEM

TO: Jeff Baker
Commissioner of Higher Education

FROM: Mike Malone
President

DATE: December 15, 1994

RE: Report Card

Jeff, this is a response to your request that we report on our efforts over the ten months since the Board of Regents approved your consolidation proposal. This information is presented in anticipation of the 1995 Montana Legislative Session. We will use the format you suggested in your request and which formed the outline for your January 1994 document.

I. UNITY

It has seemed clear from the outset that a primary purpose in the consolidation was to begin moving all of the institutions of public postsecondary education in Montana in the direction of a single more comprehensive set of objectives than had existed for the several different kinds of institutions which make up the Montana University System.

Montana State University (MSU) has attempted to organize itself and conduct its business in a way that promotes this consolidation in two ways. First, it has accepted, as always, that it is the responsibility of the Commissioner of Higher Education (CHE), to establish the agenda and the direction for postsecondary education in Montana. The use of the Administrative Policy meetings which include the CEOs and chief academic and fiscal officers from the two main campuses and the CHE staff has helped to create a far greater unity of purpose in the system than had previously existed. Secondly, MSU has oriented itself in such a way that each of its component institutions takes some measure of responsibility for the success of each of the others so that a synergy is created which improves all.

It is our belief that the unity created within the component institutions of MSU and the collaborative direction setting represented in the Administrative Policy Group have set the stage for both short term progress toward and the eventual achievement of a clearly unified system of higher education in Montana. The current initiatives toward the inclusion of the state's three community colleges in the organization will complete the next logical step in the process.

II. IMPROVED SERVICE TO STUDENTS AND INCREASED PRODUCTIVITY

For the campuses of Montana State University (MSU), restructuring has brought support program improvements that are both genuine and practical. While some of these improvements are actually in place, others should be considered "works in progress". It is clear, though, that, while some of these improvements might eventually have been pursued, the restructuring of the Montana University System (MUS) should be viewed as a primary catalyst for their exploration.

From the outset, it has been clear that for our students, the general public, and both elected and appointed officials, the issue of "transferability of credits" from one institution to another is the primary outcome expectation of this process. With this in mind, MSU has given a high priority to building on the work of the CHE to increase the ability of students to move among the MSU campuses with a minimum of loss of credits and a maximum of predictability. The goal is to allow students who transfer in the future to spend less time than they are now spending on the combination of campuses and to reduce the cost to the student and to the taxpayer. To implement this goal, an MSU Committee on General Education has been established and charged. In addition, MSU Registrars are working together to establish a computerized degree audit that will allow advisors on each campus to accurately provide information to students who are transferring to one of the others.

The creation of the new Montana State University has already yielded benefits in the areas of physical facilities and library and learning resources. The individual campuses continue to administer their own physical plants and libraries, but the creation of a common operational framework has provided opportunities for improvements which probably would not have been realized under the previous MUS organization. For example, the MSU campuses now share architectural and engineering services as well as planning and construction administration and safety and preventive maintenance programs.

MSU libraries are all linked through programs such as CATLINK in Bozeman and the newly funded system at Billings which allows Northern students access to those resources. This will allow each campus to specialize to a greater extent and should prevent campuses from needing to purchase as many volumes in common.

Perhaps the greatest potential for increased services and effectiveness in the short run has been found in the fiscal/administrative areas. These have included

- Savings through common computer software, hardware and maintenance purchases;
- Common format and criteria for prioritizing long range building projects;
- Development and implementation of a common MSU Facilities Condition Inventory;
- Regularization of control and audit procedures;
- Exploration of cooperative arrangements among printing/duplication services;

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- Expansion of Touchtone services to students on other campuses;
- Integrating the student records system of the College of Technology-Great Falls with that of the Bozeman campus; and
- Accelerating the major building construction and repair programs on the Billings and Northern campuses by extending the bonding capacity of the Bozeman to the other campuses and cross-pledging revenue sources of the campuses.

III. BALANCE

The restructuring of the Montana University System (MUS), which took effect on July 1, 1994 and which will be completely in place on July 1, 1995, placed campuses in Billings, Bozeman, Great Falls and Havre under the supervision of the President of MSU-Bozeman. The purpose of this alignment was to create a mutually supportive array of institutions with offerings from the less than two-year certificate through the doctorate. A cooperative and interdependent MSU was and is to be achieved through:

- Shared material and intellectual resources;
- Collaboration among units to meet teaching, research and public service missions;
- Movement toward a commonly accepted general education;
- Guaranteed acceptance of credits from other MSU institutions;
- Mutual efforts to ensure orderly educational changes in response to changing societal needs;
- Effective applications of distance learning and telecommunications-based management systems; and
- Recognition of the uniqueness and importance of each campus to the larger MSU

A principal theme, embraced by MSU campuses from the beginning by both design and temperament, is the need for each campus to preserve its mission, role, and scope. To that end, faculty governance, collective bargaining where it exists, fund raising by foundations, etc., are to remain within the purview of each individual campus. To this extent, MSU operates as a decentralized "opportunity based" group of institutions, each handling its own affairs through the leadership of the Chancellor or Dean, with general oversight by the President.

In certain matters, generally where oversight or approval is necessary from the CHE or the Board of Regents, the MSU president and his chief administrative officers will consult closely with the other campuses in the development of proposals to ensure that items which go forward are in keeping with stated MSU goals and objectives. In this way, the CHE and the Board can be sure that items which reach them and which impact other units in the MUS have received the necessary scrutiny.

Much of this mix of centralization and decentralization is of an evolutionary nature and will probably remain so over time as the circumstances and the cast of characters change. For this reason, it is important to have the wishes of each of the administrative officers clearly communicated to one another in this area.

IV. TWO-YEAR EDUCATION

It has been clear from the beginning of the discussions about re-structuring that the four-year units of the MUS, particularly the university campuses in Bozeman and Missoula, did not have
enough capacity to handle the influx of students expected to be seeking admission between now and the year 2000. The CHE has stressed the importance of further developing the state's resources in two-year education and has indicated that much of the expansion will be taking place at the two-year campuses. As an example, the CHE is predicting growth of some 7.2% at MSU-Bozeman between FY1994 and FY2000, while the College of Technology-Great Falls (COT-GF) is anticipated to have growth in excess of 45% in the same time period. The experience in Great Falls this fall indicates that this prediction may actually understate the eventual demand for an appropriately marketed package of two-year programs in that community.

Because of the potential that would seem to be present in Great Falls, MSU has asked for and received permission to place an expansion of the COT-GF facility in place of one of its other items in the Legislative Long Range Building Program list. It is the anticipated increase in students, particularly those taking general education course, along with the possibility of co-locating other MSU programs in the Great Falls area, which is driving this LRBP decision.

Within MSU, two-year degrees are offered at all campuses except Bozeman. Both Billings and Northern offer the Associate of Arts and Associate of Science degrees. This is important because many persons within commuting distance of these schools use them as they would a true community or junior college. The MSU-Billings College of Technology and the COT-GF offer both certificate level training and the Associate of Applied Science.

MSU sees the primary mission of the two Colleges of Technology as meeting occupational and community needs in providing beneficial and accessible education, career training programs and upgrading opportunities designed to meet both current and emerging needs.

In Billings, a more clear vision of the exact role of the College of Technology will emerge from the planning process underway since October 1, 1994 as part of a Federal Title III planning grant. This process will develop goals in eight broad areas and become part of an MSU-Billings- wide plan which will provide a roadmap for the future of both two and four-year education in Yellowstone County.

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In Great Falls, needs assessments are currently underway to determine exactly which kinds of educational services are most in demand. The CHE plan makes it clear that the COT-GF will expand its two year offerings, particularly those which will transfer to degree programs at one of the four year colleges. Early surveys of students and conversations with high school counselors indicate that a significant number of students would, in fact, stay in Great Falls to complete at least the first year of college if significant offerings were available at a public institution. As a result, the COT-GF is preparing to offer a more broad range of courses in the fall of 1995.

Other indications in Great Falls are that there is significant demand from both the business and education communities for both credit coursework from bachelors through doctorate levels and for non-credit coursework designed to upgrade skills or prepare for new careers. Further surveys of persons from the health and military dependent communities are in the works.

MSU is engaging business and government leaders in the Great Falls area in a major review of the place of the COT-GF in the community. During the first half of 1995, both an internal review process and a community-wide planning charrette will be conducted to help chart the future of the college. In addition, a newly constituted area-wide advisory committee will serve as an on-going monitor of the place of the college in the community and the state.

Clearly, the campuses of MSU are behaving in a way that recognizes the importance that the CHE and the Board of Regents attach to two-year education. Those same campuses also see significant opportunities for service delivery.

V. TELECOMMUNICATIONS SYSTEMS

Montana State University believes that restructuring will enhance its Land Grant mission of providing accessibility to learning in a context of increasing public expectations and decreasing public funding. Each of the campuses is experimenting with strategies that will reposition instructional activities to include extended service components to a wider spectrum of citizens.

While many states have begun this effort with the building of enormously expensive infrastructures, the campuses of MSU have begun with existing ones which emphasize low-cost, accessible and flexible technologies. As an example, campuses are currently using text-only telecomputing to provide course work, training and services to, among others:

- Pre-college minority and honors students
- Place-bound rural teachers doing graduate work
- County and Reservation Extension Agents

- Rural Hospital physicians and nurses
- City and county officials to a Local Government Center
- Demonstration programs to send coursework along the Hi-Line from Cut Bank to Poplar on newly installed fiber optic cable

At a next level, the campuses of MSU are currently using the MUS/DOA provided studios of the Burns Telecommunications Center to send and deliver coursework throughout the state. In addition, MSU's public broadcast media, KUSM television at Bozeman and KEMC radio at Billings reach throughout much of the state to bring information, entertainment and cultural programming to citizens. A new program, "Imagine That", highlighting the work of scientists in the MUS, was developed and produced at MSU-Bozeman and is broadcast over the KEMC and KUFM networks.

To date, most of the work done within MSU has been done on a campus-by-campus basis. These efforts have shown little overlap and have been providing needed services to Montana citizens. On December 21, 1995, those responsible for telecommunications and continuing education on MSU campuses will meet to begin to formulate a plan to coordinate efforts, to identify gaps in our combined efforts and to develop strategies to fill those gaps. Likely next steps include:

- Enhancing library services to distant users
- An electronic "waste exchange" for businesses in MT, ID, WY, ND and SD
- Integration of current state ISD CODEC system with fiber systems being installed by telephone companies for wider delivery of coursework and services
- Introducing telecommunications-based coursework and internships in cooperation with Tribal Colleges
- Greater collaboration with other MSU campuses and others in the MUS

In the area of management, MSU has not mandated a shift to a single program of computer hardware or management software. Campuses in Billings, Bozeman and Havre utilize mainframes from Digital Equipment Corporation, allowing discounts on hardware and maintenance purchases. The College of Technology-Great Falls is in the process of migrating its student records system to full integration with MSU-Bozeman. This was as a result of a not unexpected recommendation by an accreditation site visit team from the Northwest Association of Colleges and Schools. It is anticipated that, as the current generation of administrative software ages toward replacement, steps will be taken to regularize software in the areas of student, personnel, and fiscal records management.

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VI. IMPROVED ACADEMIC INTEGRATION

The restructuring of the Montana University System has consolidated under Montana State University, an enormous range of programs. These include the span from the less than two year certificate programs offered by the Colleges of Technology through the EdDs and PhDs offered only on the Bozeman campus. With the likelihood that the two Community Colleges in the lower Yellowstone Valley will be added in the near future, MSU will truly be comprehensive in its postsecondary offerings. The delicate task in the integration of these programs will be to facilitate the sharing of resources among the campuses, while limiting program growth and reducing duplication where possible.

Within the context of the new organization of the MUS, it clear that primary responsibility for the development, oversight and assessment of undergraduate education is the responsibility of the faculty at each of the four-year campuses. Clearly, the Regents and the CHE intend that those aspects of each institution which give it distinction need to be preserved. While attending to the special qualities of each campus, the President, Chancellors or Dean of each campus is charged to explore ways to facilitate better transferrability among the campuses, not only within MSU, but throughout the MUS. To this end, MSU has, as a follow-up to a June retreat, taken several actions to facilitate integration:

- Meetings of Registrars to begin to regularize policies and procedures within MSU
- Meeting of Admissions and New Student Services staffs to learn the academic programs of other MSU campuses
- Meetings of heads of common programs to work on ways of sharing resources and reducing unnecessary duplication
    - Business deans and faculties
    - Education deans and faculties
    - Computer Science/Information faculties
    - Deans/Directors of graduate studies
    - Deans/Directors of Extended Studies/Continuing Education and Telecommunications
    - Libraries
- Establishment of an MSU Committee on General Education to begin to address issues of transferrability

Perhaps no other issue in the consolidation has generated as much controversy or consumed as much time as the Great Falls Higher Education Center. The particular mix of institutions and the involvement of various alliances and individuals over years of working on this issue have combined to make it a difficult one. It is also true, though, that the MUS Higher Education Center in Great Falls may hold the greatest promise for expanding the services of the MUS to previously unserved citizens. Not unexpectedly, it is the same mix of institutions, alliances and individuals, with assistance from the Commissioner and the Deputy Commissioner, that will make this unique partnering of public and private institutions into a successful entity.

DATE 01-25-95

SENATE COMMITTEE ON Education

BILLS BEING HEARD TODAY: HB-25 - HB51

AB-112 - JB-156

Name	Representing	Bill No.	Check One: Support	Oppose
Ronald Stoyanovich	E. Helena Sch. Dist. #9	51	X	
Fred Happel	MT. for better govt	156		X
Don Waldron	MREA	HB 25 HB 51 SB 112	✓	
Loran Frazier	S Ann SB 112	HB 51 25	✓	
Penny Bertelsen	Sun River Valley SD.	SB 112	✓	
Alex Ferguson	Cascade School Dist	SB 112	✓	
David L. Huff	OPI	SB 112	✓	
Linda Atwood	OPI	SB 112	✓	
Conrad Fiscus	Thurston School	HB 51	✓	
Dave Rose	SDS Kalispell	SB 112		
Pat Roff	Governor's Office	156	✓	
Judy Gilbertson	U of M	156	✓	
Ron Schramm	Mt. Univ. System	156	✓	
[illegible]	" " "	156	X	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MINUTES

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DARYL TOEWS**, on January 30, 1995, at 1:02 p.m.

ROLL CALL

Members Present:

Sen. Daryl Toews, Chairman (R)
Sen. John R. Hertel, Vice Chairman (R)
Sen. C.A. Casey Emerson (R)
Sen. Delwyn Gage (R)
Sen. Loren Jenkins (R)
Sen. Kenneth "Ken" Mesaros (R)
Sen. Steve Doherty (D)
Sen. Gary Forrester (D)
Sen. Barry "Spook" Stang (D)
Sen. Mignon Waterman (D)

Members Excused: N/A

Members Absent: N/A

Staff Present: Eddye McClure, Legislative Council
Janice Soft, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	HB 49, HB44
Executive Action:	HB 51, HJR 3, SB 140, SB 156, SB 112, SB 101, HB 44, HB 49

HEARING ON HB 49

Opening Statement by Sponsor:

REP. MIKE KADAS, HD 66, Missoula, said that over a year ago the voters in Missoula County voted to unify the Missoula County High School District and the largest elementary district, District #1. One of the unification results was the loss of one mill for adult education. When they were two separate districts, three mills could be levied for adult education but now they could levy only two. **REP. KADAS** stated that he had carried a bill in the December, 1993, special session which allowed the unified

public official proceeding or anything said in the course thereof." Because the letters of reprimand would be determined in such a hearing, that information would be available to other government agencies, i.e a school district. The actual information (names, transcripts of proceedings, etc.) has to be balanced with the individual's right and necessity to know. **Mr. Buchanan** concluded that the law does what is proposed in **SEN. GAGE'S** amendments.

Motion/Vote: **SEN. DELWYN GAGE MOVED THAT HIS AMENDMENTS TO SB 140 BE ADOPTED.** Motion **CARRIED** by **UNANIMOUS** voice vote.

Motion/Vote: **SEN. DARYL TOEWS MOVED THAT SB 140 DO PASS AS AMENDED.** Motion **CARRIED** by **UNANIMOUS** voice vote.

EXECUTIVE ACTION ON SENATE BILL 156

SEN. WATERMAN explained that her amendments **(EXHIBIT 5)** clean up the language in the title and adds language clarifying who a resident is. The crux of the additions is on page 2 which clarifies that a high school graduate who is a citizen or resident alien is a Montana resident. **Eddye McClure** said that several years ago the Supreme Court threw a bill out because the title did not reflect everything in the bill; therefore, everything is included in Amendment #2 for protection of the legislature.

Motion/Vote: **SEN. MIGNON WATERMAN MOVED TO ADOPT THE AMENDMENTS TO SB 156.** Motion **CARRIED UNANIMOUSLY** by voice vote.

Motion/Vote: **SEN. MIGNON WATERMAN MOVED DO PASS ON SB 156 AS AMENDED.** Motion **CARRIED** by **UNANIMOUS** voice vote.

EXECUTIVE ACTION ON SENATE BILL 112

Motion/Vote: **SEN. BARRY "SPOOK" STANG MOVED TO ADOPT THE AMENDMENTS TO SB 112.** Motion **CARRIED** by **UNANIMOUS** voice vote. **EXHIBIT 6**

Motion: **SEN. BARRY "SPOOK" STANG MOVED DO PASS ON SB 112 AS AMENDED.**

Discussion: **SEN. TOEWS** asked what would happen if the fiscal impact would be substantially more than indicated. **SEN. STANG** said that if the cost would be substantially more than currently, it could be pro-rated. If the current method would cost substantially more than included in the appropriation, there would have to be a supplement. The intent is not to cost more money. **David Huff, OPI,** said that the Task Force would stand by the figures it gave; in fact, the figures were probably on the conservative side. The fiscal note for **SB 112** does not take into

SENATE STANDING COMMITTEE REPORT

MR. PRESIDENT:
We, your committee on Education and Cultural Resources having had under consideration SB 156 (first reading copy -- white), respectfully report that SB 156 be amended as follows and as so amended do pass.

Signed: _____
Senator Daryl Toews, Chair

That such amendments read:

1. Title, line 5.
Following: ""ACT"
Insert: "REVISING CERTAIN STATUTES RELATING TO THE UNIVERSITY SYSTEM;"

2. Title, line 10.
Following: "EDUCATION;"
Insert: "ELIMINATING CERTAIN MISCELLANEOUS FINANCE PROVISIONS RELATING TO UNIVERSITY SYSTEM CONSTRUCTION AND BOND PROJECTS; REVISING THE NAMES OF THE UNITS OF THE UNIVERSITY SYSTEM; CLARIFYING THE DEFINITION OF RESIDENT STUDENT AND PROVISIONS RELATING TO DOMICLE;"

3. Title, line 13.
Following: "20-25-303,"
Insert: "20-25-501, 20-25-503,"

4. Page 21, line 4.
Page 41, lines 17, 18, and 22.
Strike: "32" or "32"
Insert: "34"

5. Page 24, line 23.
Following: line 22
Insert: "**Section 19.** Section 20-25-501, MCA, is amended to read:
"**20-25-501. Definitions.** (1) Terms used in this part are defined as follows:
(a) "Domicile" means a person's true, fixed, and permanent home and place of habitation.
(b) "Emancipated minor" means a person under the age of 18 years who ~~supports himself~~ is self-supporting from ~~his own~~ personal earnings or is married. A person who received more than 25% of the cost of ~~supporting himself~~ support from any person

other than an agency of the government ~~shall~~ may not be considered an emancipated minor.

(c) "Minor" means a male or female person who has not obtained the age of 18 years.

(d) "Qualified person" means a person legally qualified to determine ~~his~~ the person's own domicile.

(e) "Resident student" means:

(i) a student who has been domiciled in Montana for 1 year immediately preceding registration at any unit for any term or session for which resident classification is claimed. Attendance as a full-time student at any college, university, or other institution of higher education ~~shall~~ is not alone be sufficient to qualify for residence in Montana.

(ii) any graduate of a Montana high school who is a citizen or resident alien of the United States and whose parents, parent, or guardian ~~have~~ has resided in Montana at least 1 full year of the 2 years immediately preceding ~~his~~ the student's graduation from high school. ~~Such~~ The classification ~~shall continue~~ continues for not more than 4 academic years if the student remains in continuous attendance at a unit; or

(iii) a member of the armed forces of the United States assigned to and residing in Montana, ~~his~~ the member's spouse, or ~~his~~ the member's dependent children.

(2) In the event that the definition of residency or any portion thereof is declared unconstitutional as it is applied to payment of nonresident fees and tuition, the regents of the Montana university system ~~shall have authority to~~ may make rules on what constitutes adequate evidence of residency status not inconsistent with ~~such~~ those court decisions."

Section 20. Section 20-25-503, MCA, is amended to read:

"**20-25-503. Presumptions and rules as to domicile.** (1) Unless the contrary appears to the unit registering authority, it is presumed the domicile of a minor is that:

(a) of the parents or, if one of them is deceased or they do not share the same domicile, of the parent having legal custody or, if neither parent has legal custody, the parent with whom the minor customarily resides; or

(b) of ~~his~~ the minor's guardian when the court appointing the guardian certifies that the primary purpose of the appointment is not to qualify the minor as a resident of this state.

(2) A resident student who marries a nonresident does not by that fact alone lose resident status for tuition and fee purposes for a period of 4 years after marriage.

(3) Residence is not lost because of relocation as a member of the armed forces of the United States.

(4) A new domicile is established by a qualified person if ~~he~~ the person is physically present in Montana with no intention to acquire a domicile outside of Montana.

(5) Domicile is not lost by absence from Montana with no intention to establish a new domicile.

(6) Montana high school graduates who are citizens or resident aliens of the United States are resident students of the system for 4 consecutive years of attendance if:

(a) they apply for admittance to the system within 1 year after graduation; or

(b) their parents or the parent having legal custody or, if neither parent has legal custody, the parent with whom they customarily reside has resided in Montana in one of the 2 years immediately preceding the graduation.

(7) Upon moving to Montana, an adult employed on a full-time basis within the state of Montana may apply for in-state tuition classification for ~~his~~ the adult's spouse or any dependent minor child, or both. If ~~such~~ the person meets the requirement of full-time employment within the state of Montana and files for the payment of Montana state income taxes or files estimates of those taxes or is subject to withholding of those taxes and renounces ~~his~~ residency in any other state and is not ~~himself~~ in the state primarily as a student, ~~his~~ the person's spouse or any dependent minor child, or both, may at the next registration after qualifying be classified at the in-state rate so long as ~~he~~ the person continues ~~his~~ Montana domicile. In the administration of this subsection, neither the full-time employee or spouse ~~shall be~~ is eligible for in-state tuition classification if the primary purpose for coming to Montana was the education of the employee or spouse.""

Renumber: subsequent sections

6. Page 41, line 20.
Strike: "33(2)"
Insert: "35(2)"

7. Page 41, line 24.
Following: "through"
Strike: "31, 33(1), 34, and 35"
Insert: "33, 35(1), 36, and 37"

-END-

HOUSE APPROPRIATIONS

BILL NO	REFERRED	HEARING	OTHER CONSIDERATION DATES	EXECUTIVE ACTION/DATE/VOTE	REREFERRED	DATE READ
SB0156	WATERMAN, MIGNON 2/06	2/28	RESTRUCTURE UNIVERSITY SYSTEM BY CONSOLIDATING VO-TECHS	CONCUR 3/9 VOTE: 16-2		3/13
SB0221	DOHERTY, STEVE 3/09	3/30	PROVIDE AD HOC RETIREMENT ADJUSTMENT FOR POLICE OFFICERS ABOVE SERGEANT	CONCUR 3/30 VOTE: 11-5		4/04
SB0265	BECK, TOM 2/15	2/28	ESTABLISH EXPENDABLE TRUST USED FOR PROVIDING LIBRARY SERVICE TO MONTANANS	CONCUR 3/9 VOTE: 11-7		3/13
SB0266	CRIPPEN, BRUCE 2/20	3/14	REVISE JUDICIAL SALARIES	TABLED ON 3/15 VOTE: 18-0		
SB0357	VAN VALKENBURG, FRED 3/09	3/30	ALLOW FIREFIGHTERS TO RETIRE AFTER 20-YEARS SERVICE REGARDLESS OF AGE	CONCUR 3/30 VOTE: 9-7		4/04
SB0415	GROSFIELD, LORENTS 2/27	3/22	ALLOW PRIVATE FUNDS TO BE DONATED TO REMEDIATE SPECIFIC SITES	CONCUR AS AMENDED 3/22 VOTE: 18-0		3/24
SJ0019	SPRAGUE, MIKE 3/28	4/04	JOINT RESOLUTION FOR INTERIM STUDY OF STATE-OWNED FINANCIAL INSTITUTION	CONCUR 4/4 VOTE: 14-4		4/04

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on February 28, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quilici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Gary Feland (R)
Rep. Marjorie I. Fisher (R)
Rep. Don Holland (R)
Rep. Royal C. Johnson (R)
Rep. John Johnson (D)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Marjorie Peterson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: SB 156, SB 265
Executive Action: None.

HEARING ON SB 156

Opening Statement by Sponsor:

SEN. MIGNON WATERMAN, SD 26, Helena, opened the hearing on SB 156 which incorporates the vocational technical (vo-tech) schools with the university system. She said this bill essentially treats the university system as a whole, rather than treating vo-tech schools differently. Also, in researching the bill, they discovered that vo-tech students were previously covered by workers compensation, and they would no longer be covered under this bill.

Proponents' Testimony:

None.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. WILLIAM WISEMAN, HD 41, Great Falls, asked about eligibility for those stationed at Malmstrom Air Force Base, and if they would be allowed to go to vo-tech schools as a resident. **SEN. WATERMAN** did not think so, unless they meet the regular eligibility requirements, which would include voting requirements, Montana state driver's license, paying Montana state income taxes, etc.

Closing by Sponsor:

SEN. WATERMAN said it was a cleanup bill and she thought it would be agreeable to everyone.

{Tape: 1; Side: A; Approx. Counter: 10.5.}

HEARING ON SB 265

Opening Statement by Sponsor:

SEN. TOM BECK, SD 28, Deer Lodge, opened the hearing on SB 265. He discussed the bill which establishes a trust fund to accept donations over $250 for the Talking Book Trust. This bill, he felt, would encourage donations to the library by ensuring that interest on bequests made would accrue to the trust rather than

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL DATE 2-28-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Marj Fisher	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Mike Kadas	✓		
Rep. Betty Lou Kasten	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on March 9, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Edward J. "Ed" Grady, Vice Chairman (Majority) (R)
Rep. Joe Quilici, Vice Chairman (Minority) (D)
Rep. Beverly Barnhart (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Gary Feland (R)
Rep. Marjorie I. Fisher (R)
Rep. Don Holland (R)
Rep. Royal C. Johnson (R)
Rep. John Johnson (D)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Matt McCann (D)
Rep. William T. "Red" Menahan (D)
Rep. Steve Vick (R)
Rep. William R. Wiseman (R)

Members Excused: None.

Members Absent: None.

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Marjorie Peterson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	HB 365, HB 447, HB 479, HB 513, HB 528
Executive Action:	HB 513 DO PASS, SB 156 BE CONCURRED IN, SB 265 BE CONCURRED IN

Closing by Sponsor:

REP. DEBRUYCKER said this just takes an unnecessary statute off the books.

EXECUTIVE ACTION ON HB 513

Motion/Vote: REP. GRADY MOVED HB 513 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION ON SB 156

Motion: REP. COBB MOVED SB 156 BE CONCURRED IN.

Discussion: REP. COBB reminded the committee that this bill restructured the university system by adding the vocational technical schools into the system. This bill reduces the general fund by $62,000 in both FY 96 and 97. **REP. DEBRUYCKER** said that the fiscal note included requiring five counties to levy 1½ mills to support vo-tech education. He wondered if they have always been doing that or if this would require them to do so. **REP. JOHN JOHNSON** said this would actually reduce mill levies.

Vote: Motion that SB 156 Be Concurred In carried 16 - 2, with REPS. VICK and BERGSAGEL voting no.

{Tape: 2; Side: B; Approx. Counter: 22.2.}

EXECUTIVE ACTION ON SB 265

Motion: REP. GRADY MOVED SB 265 BE CONCURRED IN.

Discussion: REP. GRADY reminded the committee about the discussion on changing "must" to "may" in regards to the state library accepting donations. **REP. ROYAL JOHNSON** said this bill states that if $250 or more is given to the library association, it would go into the Talking Book Trust. He says that is too specific and earmarks funds and he has a problem with that. **Clayton Schenck, Legislative Fiscal Analyst,** said that if there were a donation with no strings attached it would go to the Talking Book Trust, but it doesn't state that any money would. If the donator does not specify, according to this bill, it "shall" go to the Trust. **REP. JOHNSON** said if a donation was given, it goes to the Talking Book Trust, unless the donor says it shall go to something else. If a donor didn't know about this

HOUSE OF REPRESENTATIVES

Appropriations

ROLL CALL DATE 3-9-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Tom Zook, Chairman	✓		
Rep. Ed Grady, Vice Chairman, Majority	✓		
Rep. Joe Quilici, Vice Chairman, Minority	✓		
Rep. Beverly Barnhart	✓		
Rep. Ernest Bergsagel	✓		
Rep. John Cobb	✓		
Rep. Roger DeBruycker	✓		
Rep. Gary Feland	✓		
Rep. Marj Fisher	✓		
Rep. Don Holland	✓		
Rep. John Johnson	✓		
Rep. Royal Johnson	✓		
Rep. Mike Kadas	✓		
Rep. Betty Lou Kasten	✓		
Rep. Matt McCann	✓		
Rep. Red Menahan	✓		
Rep. Steve Vick	✓		
Rep. Bill Wiseman	✓		

HOUSE STANDING COMMITTEE REPORT

March 11, 1995

Mr. Speaker: We, the committee on **Appropriations** report that **Senate Bill 156** (third reading copy -- blue) **be concurred in**.

Signed: _____
Tom Zook, Chair

Carried by: Rep. J. Johnson

Committee Vote:
Yes 16, No 2.

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